## Musicians

Thus Priday, for example, a group of fresh the transport hoping to be as big as the lackstreet Boys bought tens of thousands of studio equipment. Jonath college worth of studio equipment. Jonathan mending the computer and interference and inter Amen, a computer and interface de inseldmen, a computer and interface de-lémer for digital video disks, spent nearly in sours selecting electronic equipment to play two on the internet. And representatives of a least in South Kurea bought a public of annoh in South Kurea bought a public ad

The clicke music store experience is to The chone manner of teenagers playing the pedia's "Stairway to Heaven" of points with no intention of making a pur-base. Within a half hour of the store's species that Friday the song had already the song h

standings: In the guitar section, many desirables, were experimenting with alternational straight, most teenagers who include through the door went not to the plants. What guitar riffing was to kids in the best making (programming hip-hop includes strythms) is to teenagers today. Guitar Center's cachet is its 185 Aimost all are musicians, usually part their glory days or younger that their big break will consider through contacts made at the One To see a stereotypical image of he in manaded musician's musician log more: At one point in the study room, the ratio of employees with property and the same of employees with the without was 4 to 1.

The same professional, "explained one with the same to relate to a heavy-next to the same to the same to the same to the same transfer to the same transfe

Len just pop my hair out and let that he had ordered. The store did that he could not work without well by Slade's disappointment west bored on this relatively slow an employee, Johnny Delegation in supplier's office half an hour City to pick up the CDs and sale. Slade tried to stuff a the into DeLeon's pocket, but he de

what led him to go so far out of his reciting the Guitar Center from a celebrity like a regular gay

across the United States, baser Store magazine for \$50 million it was libeled in an aid a journalist who admits and of the story. The article said D.A.R.E., or Day mance Education, tried to "s suppress scientific research nonbelievers." The feder that Rolling Stone's ma recic about D.A.R.E. to b to "discredit anti-de" Glass was a writerfort when he confessed stories for that magazine a

> conquered film, stage at Lithgow has a part partested waters with: or. The star of "Third Red Sun' is releasing his is month, "Singin in t collection of swing sp be simed at children.

Rolling Stone.



# Herald

INTERNATIONAL CITI DILITE PUBLISHED WITH THE NEW YORK TIMES

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### **Dissidents Openly Defy** Crackdown By Beijing

The World's Daily Newspaper

Opposition Activists Set Up 5 New Branches Of Outlawed Party

By Michael Laris

BEDING - A group of 18 dissidents on Thursday openly challenged China's ruling Communist Party by forming five new branches of the banned China Democracy Party despite a crackdown on organized dissent.

The move came on the same day as a court in the city of Hangzhou sentenced an American-educated and Spain-based dissident to a four-year prison term for sneaking back into China and giving \$1,000 to a local dissident who had earlier launched the public campaign to form the China Democracy Party.

The developments Thursday are an indication of both the tenacity of gov-ernment opponents and of the government's determination to stop them. While the dissidents said that the coordinated effort by opposition campaigners in five provinces marked the be-ginning of the "second leg" of their effort to found the first Chinese opposition political party, the sentencing an-nouncement is another sign that Beijing's senior leaders will brook no challenge to their monopoly on political power.

In December, the government effort to crush the nascent opposition party resulted in show trials and long prison terms for three of the party's most aggressive founders, and a "reform through labor" sentence for another activist. At

least three others remain in detention.

"The people's hearts of fear are slowly disappearing," said Wang Zechen, a dissident in the northeastern Liaoning Province who identified himself as the chairman of the opposition party's provincial branch.
"This shows that the China Democ-

racy Party has already grown deep roots on the Chinese mainland. There is no power at all which can wipe it out," he said in an interview. He has already been imprisoned twice in the 1960s and 1970s, for me political activism Among the other 17 activists who

identified themselves Thursday despite the potential for government retribution were Wang Wenjiang, a lawyer whom the police prevented from defending prominent dissidents in their trials in December. Before the move to take a position as the "first vice chairman" of the Liaoning branch of the opposition party, Mr. Wang publicly renounced his Communist Party membership. Hu Shen; an activist who was briefly detained in China's ancient capital of Xi'an in June when President Bill Clinton visited, was

also among those going public.

Dissidents say 27 party branches in provinces and cities nationwide have been launched since June.

Wang Ce, a Chinese citizen and longtime resident of the United States and Spain, was sentenced to a four-year jailterm in Hangzhou for illegally sneaking back into China in October and giving Wang Youcai \$1,000.

### Senate Votes Against Calling Lewinsky but Allows Tapes



Hillary Rodham Clinton speaking with the president before he addressed the National Prayer Breakfast in Washington on Thursday. Later, the Senate voted, 70 to 30, against a motion to call Monica Lewinsky as a witness in the impeachment trial. But by 62 to 38, they authorized both sides to use the videotapes of her closed-door deposition, as well as those of two other witnesses, in their closing arguments. Page 3.

### **Britain Cuts Interest Rates Sharply**

Central Bank Moves Aggressively to Counter Economic Slowdown

By Tom Buckle tional Herald Tribune

LONDON - The Bank of England moved aggressively Thursday to counteract the slowdown in Britain's economy, reducing its key interest rate by one-half percentage point to 5.5 per-

The larger-than-expected cut, which coincided with a quarter-point reduction by the central bank of Denmark, underscored the significant softening of economic activity and the virtual absence of inflationary pressures across most of Europe.

Those factors kept alive expectations that the European Central Bank, which

manages monetary policy for the 11 nations that adopted a single currency Jan. 1, would lower its interest rates in coming weeks. The bank's governing council kept rates on hold at its meeting in Frankfurt on Thursday,

The European sluggishness and the prospect for lower rates stood in stark contrast to the remarkable strength of the U.S. economy.

The euro rose to \$1.1335 late Thursday from \$1.1295 on Wednesday but was still down sharply from its high of \$1.1837 reached shortly after its introduction. The pound rose to \$1.6450

The decline of the euro is a "logical" reflection" of the divergence between

U.S. and European economies, said Giles Keating, senior economist at Credit Suisse First Boston, Mr. Keating predicted that the Federal Reserve Board would signal a tighter monetary stance in coming days because of the strong U.S. economy, which grew at a 5.6 percent rate in the fourth quarter.

By comparison, many economists predict that Britain will flirt with recession in the first half of this year, with growth in the big Cootinental econ-omies of Germany, France and Italy slipping to a rate of less than 2 percent, a level that threatens to trigger an upturn in unemployment.

See RATES, Page 12

### One Currency, but Exchange Fee Stays

By Barry James International Herald Tribane

BRUSSELS - The euro was intended to make it cheaper to move around Europe, right? Wrong.

To its embarrassment, the European Commission has discovered that many banks are charging as much, or more, in direct commissions to change European currencies as they did before the euro was introduced Jan. 1.

The 11 correncies making up the cure, while continuing to circulate for the next three years, are now units of the single currency, and their conversion rate to the euro has been irrevocably fixed.

Banks therefore no longer have to factor in an ex-change-rate risk. The commission, the executive body of the European Union, thought that this saving should be passed on to the public, to improve acceptance of the currency. Now the commission is being urged to investigate allegations against banks of collusion on fees for currency

exchange and cross-border cash transfers. The chairwoman of the European Parliament's monetary subcommittee, Christa Randzio-Plath, has written to Karel Van Miert, EU competition commissioner, and to Dieter Wolf, the top German antitrust official, seeking an inquiry.

Most banks now charge direct commissions to compensate for the fact that they can no longer exploit the spread between selling and buying rates for different cur-rencies. In Germany, for example, banks charge a flat rate of 3 percent on the total amount transacted.

The European Banking Federation argues that despite the added commission, the overall cost of changing one curo currency into another has gone down by amounts ranging from about 20 percent in France to 50 percent in Ireland.

The European Commission is nevertheless unhappy. It concedes that banks should be able to charge a handling fee to cover their costs. But it expressed concern "that these fees are much higher for cross-border transfers as compared to domestic ones.'

### Hussein, Critical, Heads for Jordan

Organ Failure in U.S. Follows Transplant of Bone Marrow

By William Orme

AMMAN - In what his countrymen feared would be the final flight of his life, King Hussein departed the Mayo Clinic in Minnesota on Thursday after an apparently failed bone marrow transplant and was put on a plane for Jordan.

The news that the king, 63, may have lost his long battle with lymphatic cancer stunned already shocked Jordanians, who just these weeks ago had given him.

wbo just three weeks ago had given him a triumphal welcome home amid upbeat official reports of a nearly complete

The celebratory national mood was punctured on Jan. 25 by the announcement that the king was suddenly returning to the clinic and naming his eldest son, Abdullah, as his heir, in an unexpected ousting of his brother Has-san, who had been his constitutionally designated successor as crown prince for 34 years.

The Associated Press in Amman reported that it received a faxed statement from King Hussein's private physician, Lieutenant General Samir Farraj, that the king's condition had "become critical due to the failure of the function of internal organs.

"Based on that, and based on his majesty's wish, a decision has been taken to return to Amman," General Farraj said. Jordanian government spokesmen

said Thursday night that they could neither confirm nor deny broadcast reports in the region that the king had lost consciousness and that there were concerns he might not survive the long

In a brief statement read on state television, the Jordanian royal family confirmed only that King Hussein had left the hospital and would be returning bome Friday morning.

The king would be brought directly

from the plane to the King Hussein Medical Center, an army hospital, the statement said. "I think it is obvious what this means," a family spokesman in Amman said.

For the last week, Jordan has been gripped by the political spectacle and family drama of the sudden transition in the crown prince's office from the internationally respected 51-year-old Hassan to the 37-year-old Abdullah, an army brigadier general of considerable personal charm and professional military accomplishment but almost no experience in politics or diplomacy.

Jordanian public, Crown Prince Abdullah had just begun leading cabinet meetings and welcoming a parade of foreign well-wishers from Secretary of State Madeleine Albright to Yasser Arafat to Gulf sultans.

Still not widely recognized by the

Now Jordanians are confronted with the imminent possibility of the country's first monarchical succession in 47 years, unnerving ordinary citizens here and the country's neighbors alike.

Visitors to Amman in recent days are

See HUSSEIN, Page 10

# King Hussein of Jordan last month.

### Serbia Orders Delegates to Kosovo Talks To Be Tough

BELGRADE - Serbia's Parliament voted overwhelmingly Thursday to send delegates to peace talks on Kosovo set for Saturday but said that they should

take a tough stand once they got there.

In Washington, President Bill Clinton said the United States was seriously considering participation in an international peace force on the ground in Kosovo province.

After the Belgrade vote, the parliamentary speaker, Dragan Tomic, said the ontcome had underlined Serbia's unified stance.

'We reaffirmed our unity and determination to resolve the problems of Kosovo through dialogue," he said,

The talks will convene in a setting a world away from Dayton. Page 10.

adding that there were two basic principles: that the problem be resolved peacefully and that the sovereignty and territorial integrity of Serbia and

Ingoslavia be preserved. Those principles were at odds, however, with the peace proposals that will be on the table this weekend at the chateau in Rambouillet, near Paris. The proposal would virtually end direct Serbian control of Kosovo, whose ethnic Albanian majority would attain broad autonomy within Yugoslavia.

Serbian deputies voted 227 to 3. with three abstentions, to send delegates to the talks.

The 12-page motion in Belgrade ruled out the deployment of NATO troops, widely seen in the West as essential for any agreement.

"We do not accept foreign troops in our territory under any pretext of implementing an agreement that is reached," the Parliament said.

The Serbian deputy prime minister, Vojislav Seselj, who heads the ultranationalist Radical Party, part of Serbia's ruling coalition, was even blunter, saying that if NATO sent troops, they would have to fight their way in.
"We will use all means to prevent the

arrival of NATO troops in Kosovo," he declared. "There is no way that the troops of NATO can be deployed in

Kosovo in a peaceful way."

Serbia held its parliamentary debate two days before a deadline to attend talks or face NATO air strikes. Mr. Clinton, meanwhile, said the

United States was "seriously consid-

See KOSOVO, Page 10

Suha Arafat with her daughter, Zahwa, out for a drive in crowded Gaza, where it is rare to see a woman behind the wheel of a vehicle.

Page 9.

### A New Palestinian Power: Mrs. Arafat

### Former Guerrilla's Wife Is Popular and an Adherent of Tough Policy

By Deborah Sontag New York Times Service

GAZA CITY - Suha Arafat, the first lady of the Palestinian territories. maneuvered her blue BMW through the chaotic streets of Gaza City, blond hair flying as she dodged donkeys and

Behind and beside her, security cars struggled to keep her shielded as people stopped on the street to stare. A woman at the wheel is a strange enough sight in this poor, Islamic society, but Mrs. Arafat chauffeuring

Sitting in a bodyguard's lap, her danghter, Zahwa, bilingual in French

and Arabic, chattered away until they Christian faith and Western assertiverounded a corner under a giant bill-board of Yasser Arafat. 'Papa!' she said merrily, looking herself like the image of the Palestinian leader — if he could be imagined as a 3-year-old girl with a blue hair ribbon. "She is totally her father," Mrs.

Arafat said. "A real authoritarian." Mrs. Arafat, 35, would seem an unlikely partner for the 69-year-old Palestinian revolutionary, who remains forever wedded to his cause.

She was raised in a well-off home in the West Bank, educated by mins and refined at the Sorbonne. Her black patent leather high heels clash with his combat boots. And her deep-seated ness seem at odds with his world: desperate Gaza with its veiled women. But in ideology, Mrs. Arafat, whose

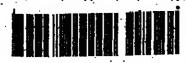
husband had an appointment to meet Thursday with President Bill Clinton in Washington, is every bit the fiery Pal-estinian freedom fighter. And if there is such a thing as pillow talk in their modest residence, where the spartan first floor is his and the stately secondfloor extension belongs to her, Mr. Arafat surely gets an earful.

Mrs. Arafat is a merciless critic not of her husband but of his government, willing to do battle on Palestinian tele-

See ARAFAT, Page 10

# Average Malaysians Ask: 'What Crisis?'

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By Thomas Fuller aional Herald Tribune ALOR GAJAH, Malaysia -- It has

been 18 months since Haris Aziz and his family began hearing the words "economic crisis" and by now one might have expected them to be feeling the

Yet, on a recent morning, when Mr. Haris, 42, his four brothers and their younger sister came together from around Malaysia for a reunion at their parents' wooden stilt house here, family members said little had changed in their lives since the onset of the crisis.

No one with a job had taken a pay cut their professions range from banking to shipping to teaching to manufactur-

Mr. Haris's brother, Rahmat, 33, recently changed jobs because the bank he was working for did not give him a big enough bonus.

The youngest sibling, Rozilawati, 26. was laid off a year ago from a company that sells locks. But that did not stop her and her husband from buying a 51,000ringgit (\$13,500) car a week before attending the family reunion. She has since found another job. Looking at Mr. Haris's extended

in Malaysia. A year and a half after the onset of what was billed as this country's worst economic turmoil since independence in

A STATE OF THE PARTY OF THE PAR

family, one might be tempted to ques-

tion the notion of an economic "crisis"

ing herbal medicines. On the contrary: 1957, investors and corporate high-fliers have been brought down to earth. But the financial turmoil has been far from

devastating for the average Malaysian. The unemployment rate hovers at about 5 percent, twice the rate of the boom years, yet the country has a million foreign workers filling jobs necessary to keep the economy moving. The official inflation rate is also about 5 percent, much higher than in most developed economies, but hardly hyperinflation. The value of both the stock market and the ringgit plunged sharply in the first month of the crisis, but now the currency is pegged to the dollar and stocks have registered sharp gains since September.

See MALAYSIA, Page 4

#### Thursday O 4 P.M. Euro 1.645 Pound Yen 112,025 DM 1.7255 FF 5.787 Dollars per pound and per euro. The Do percent change Thursday close

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### AGENDA

### U.S. Is Beefing Up **Embassy Security**

WASHINGTON (AP) - Security at U.S. embassies has been beefed up considerably since terrorist attacks in August on two embassies in East Africa, but the dangers remain high, Secretary of State Madeleine Albright

told Congress on Thursday.
"We have decided there is no such thing as a no-threat embassy," Mrs. Albright said as she testified before a Senate Appropriations subcommittee on terrorism. "Certainly no single arrest or shutdown of a terrorist operation will be sufficient."

### An Englishman Who Had It All Falls Dramatically From Grace

By Warren Hoge

ONDON - The distance between grace and disgrace is nowhere greater than in Britain, where every rent in the shredding of a reputation can be measured by a lost title, a black-balled club membership, a fur-fringed ceremonial robe consigned permanently to a

One of the people who enjoyed in ahundance the favors with which the British establishment has traditionally rewarded things like good family background, Oxhridge education and the stylish exercise of ambition was Jonathan Aitken.

Born into a family of wealth and privilege and with angular good looks to advertise it, Mr. Aitken, 56, was a member of Parliament, a minister in the last Conservative cabinet, a privy counselor to the queen, a rake with enough glamorous conquests to earn him the tabloid otle 'Casanova of the Commons" and a leader of wit and intelligence that made him a rumored contender for future prime minister.

Today his likely future is in prison. Gone are his marriage, his fortune, his seaside estate in Kent, his seat in Parliament, his claim on the honorific Right Honorable and, most important, he says, his good name. He is \$3.5 million in deht and will have to sell the 10-bedroom Georgian town house where he once posed for soigné family portraits with his wife, son and twin daughters for glossy celebrity mag-

His diplomatic passport has been confiscated, his remaining assets have been frozen and his gentleman's club, the Beefsteak, says his case has prompted it to ponder the rare act of evicting a

He pleaded guilty Jan. 19 to perjury and intending to pervert the course of justice for having drafted false testimony for his teenage daughter to give in court in his behalf. Afterward he contemplated his ruination and the near certainty of jail at his sen-

In a reference befitting his breed, he said: "As far as the physical miseries go, I am sure I will cope. I lived at Eton in the 1950s, and I know all about life in uncomfortable quarters.'

Bad behavior in British cabinets is not an unusual thing. Twelve ministers from John Major's government had to resign because of financial or sexual transgressions, and four of Tony Blair's principals have had to step down in the last three months. But a collapse of Mr. Aitken's dimensions has oot been seen since John Profumo, war minister in Harold Macmillan's government, was caught lying to the House of Commons in 1963 and had to quit.

The press typically chronicles these falls from grace with giddy delectation, and in one of the many instances where Mr. Aitken's own huhris got the best of him, he virtually made sure that none of the many episodes would end up getting as much attention as his.

Accused by The Guardian and a Granada TV documentary in 1995 of accepting money from Arab arms dealers while he was Mr. Major's defense procurement minister, Mr. Aitken threw down a now-infamous challenge to the press. It is a moment that has been replayed on television bere in recent months as frequently as President Bill Clinton's finger-wagging denial of sex with Monica Lewinsky has run in the United States.

Portraying himself as a reluctant crusader hurdened by destiny, Mr. Aitken said, "If it falls to me to start a fight to cut out the cancer of bent and twisted journalism in our country with the simple sword of justice, and the trusty shield of British fair play, so be it." He hrought a \$3 million libel suit in the

High Court, and his polished performance on the witness stand was so convincing that the newspaper and the documentary makers offered to settle out of court.

Mr. Aitken turned down the peace hid, saying it would compromise his honor to meet with his tormentors, and he let the trial proceed.

It was then that the newspaper incovered airline and car rental records that proved that Mr. Aitken was lying when he said his bill at the Hotel Ritz in a 1993 visit to Paris was paid by his wife rather than hy a Sandi contact as The Guardian alleged. The documents showed that she had in fact been in

R. AITKEN withdrew his libel snit. His daughter Victoria, 17, was subsequently arrested for having submitted false written testimony, though prosecutors did oot pursoe ber once it was clear that ber father had drafted the document and made her sign it. He was charged with perjury, and his wife, Lolicia, said she was ending the marriage.

His past caught up with him again in early January when DNA tests revealed that he was the father of the 18-year-old daughter of Soraya Khashoggi, the former wife of Saudi arms dealer Adnan Khashoggi.

Many commentators have had to mine Shakespeare, Greek tragedies and countryside morality tales to come up with parallels for what the life of Jonathan Aitkeo promised and what it pro-

His great-uncle was the newspaper magnate Lord Beaverbrook; his grandfather Lord Rugby, a distinguished colonial civil servant, and his father, Sir William Traven Aitken, a member of Parliament. After Eton, he studied at Christ Church, Oxford, and during his summer vacations he worked as a speecb-



Old Bailey on Jan. 19 where he pleaded guilty to perjury and intending to pervert the course of justice.

writer for Selwyn Lloyd, chancellor of the Exchequer in the Macmillan government.

In the early 1970s he developed contacts in the Arab world, created a financial services group and made his fortune. In 1974 he entered Parliament and drew favorable attention with his right-wing views that were coming into favor in the Conservative

But the party leader Margaret Thatcher refused to move him onto the front benches. Among his highprofile romances was one with her daughter, Carol, and when he abruptly ended the relationship, Mrs. Thatcher reportedly told an associate that she would never promote a man who "made Carol cry."

She also had cause to resent him because of a brash answer he had given an interviewer inquiring about her views of the Middle East. "I wouldn't say she is open-minded on the Middle East so much as empty-headed," Mr. Aitken said in a widely quoted response. "She probably thinks Sinai is the plural of

In 1979, Mr. Aitken married a Swiss economist named Lolicia Azucki, but his publicized affairs continued, including ooe with a prostitute who later gave detailed accounts of his taste for whips and canes. He finally made it into the government under Mr. Major, becoming the government's arms purchaser, and then Treasury secretary. He resigned in 1995 to fight his libel case, Mr. Aitken today claims religious conversioo and

speaks of his past with unaccustomed contridon. 'Sometimes you become a prisoner of your own lie,' he told The Express the day after his plea. "Ultimately, I bave no excuses."

# Deutsche Bank Linked To A---To Auschwitz Funding

By John Schmid International Herald Transac

FRANKFURT — Historians combing through Deutsche Bank AG archives have found evidence that the biggest German bank helped finance construction of the Auschwitz death camp, the chief historian of the bank said Thursday. Manfred Pohl, director of the bank's

historical institute, said it was the first time that Deutsche Bank had been linked to the financing of companies that built the Nazi death camp. Other recently unearthed documents showed that the bank serviced accounts for the Gestapo, the Nazi secret police, which deposited proceeds from aucdons of property confiscated from deported Jews, he said.

Mr. Pohl said the bank's archivists had found detailed loan records to construction companies that built facilities for "Waffen-SS Auschwitz," the camp's security police. They also found records of loans by Deutsche Bank to companies for the construction of the IG Farben chemicals plant adjacent to Auschwitz.

The revelations follow heightened scrutiny in the United States of the Naziera past of Deutsche Bank after it announced plans last year to acquire Bankers Trust Corp., the eighth-largest U.S. bank.

The newly unearthed documents could put the bank under renewed pressure to settle outstanding class-action lawsuits filed by concentration camp survivors in U.S. courts. In the \$18 billion actions, which also name Dresdner Bank AG, the survivors contend that the two German banks profited from gold and property looted from Holocaust victims.

Some New York politicians argue for a delay of the Bankers Trust acquisioon until the bank has resolved the Holo-

The World Jewish Congress said it cussions will bring about sufficient progress to resolve Holocaust-era claims," said Elan Steinberg, executive director of the organization.

found the documents in the past two weeks, made them public at a critical ome, when Holocaust issues have become a central issue in U.S.-German

relations. Diplomats are seeking a treaty to deal with a separate set of damage claims from elderly survivors of Naziera slave labor. Those talks are aimed at the creation of a "humanitarian fund," jointly set up by German iodustry and government, to pay out claims and stem the tide of new lawsuits from slave labor survivors.

The chief executive of Deutsche Bank, Rolf Breuer, said he supported Bonn's efforts to find a "comprehensive solution" in the negotiations with the United States and Israel. "The involvement of Deutsche Bank in the Nazi regime is a cause of deep consternation for us," Mr. Breuer said in a statement.

In their rush to internationalize their operations, German companies increasingly have opened their archives and shed light on the grimmest chapter of their history. Dresdner Bank last month released the first findings of its own independent panel of historians charged with looking inm Nazi-era dealings. Even General Motors Corp. has appointed a historian to study the Nazi-cra activities of its German subsidiary.

It could take 10 years more to soft through the Deutsche Bank archives, Mr. Pohl said. With the opening of the Berlin Wall and new records found in Eastern Germany, the archives now cover 9.5 kilometers (6 miles) of shelf space.

### **France Finds Jewish Assets** Seized in War

By Craig R. Whitney
New York Times Service

PARIS — A government-appointed panel examining the seizure of assets from Jews in France during World War II has reported finding \$2.9 million taken from deportees to Nazi death camps that was never claimed and remains in a government bank.

In the secood loterim report since it was set up in 1997, the nine-member panel, headed by a prominent banker and Resistance veteran, Jean Matteoli, recommended that if the money remains unclaimed, it should go to a government fund to expand the Memorial to the Unknown Jewish Martyr in Paris.

The panel also recommended that thousands of seized paintings and other art works in museums and French dip-lomatic and government buildings here and abroad should be assembled and publicly exhibited so that owners or heirs get another chance to make claims.

At least two-thirds of the roughly \$1 billion worth of Jewisb property that was seized in France was reclaimed and restored to its original owners in the first five years after the war, the panel said.

But after 1948, postwar French society turned to other things, and the issue of remaining unclaimed Jewish assets sank into the background.

Renewed public outrage half a century later was prompted by the dis-covery that French museums were exhibiting works of art whose rightful owners they had done linle to try to find and hy charges from Jewish groups that banks had profited from deposits of gold bullion and cash that belonged to people killed in Nazi concentration camps.

After President Jacques Chirac did what none of his predecessors had dared to do and publicly acknowledged that France, not just the collaborationist anthorities based in Vichy, had been guilty of crimes against humanity in helping the Germans persecute Jews on French soil, the government decided to find out how much injustice still remained.

Of the 75,721 Jews the French authorides deported to Auschwitz from camps at Drancy, north of Paris in the German-occupied zone, and elsewhere from 1941 to 1944, only 2,564 returned. The total population of Jews in France during the war is estimated at 330,000.

Daniel Lebegue, the head of the government bank where the funds are held, the Caisse des Depots & Consignations, said it would cooperate fully in efforts to return funds to their rightful owners.

#### would meet next week with the chairman of Deutsche Bank and Bonn officials to discuss a settlement, Reuters reported, "Our hope is that the dis-

The bank's historians, who said they

### U.S. Prods Taleban to Expel bin Laden

By Tim Weiner

WASHINGTON — A senior U.S. official has met in Pakistan with leaders of the Taleban, the armed religious group that rules most of Afghanistan and sbelters Osama bin Laden, the

world's most wanted terrorist suspect. The assistant secretary of state for South Asian affairs, Rick Inderfurth, on Wednesday told the Taleban deputy foreign minister, Jalil Akhund, that Mr. bin Laden must be "expelled from Afghanistan and hrought to jusce for his crimes," said the State Department spokesman, James Ruhin.

Mr. bin Laden, a wealthy Saudi exile whom the United States calls an international financier of terrorism, has been indicted in the bombings of two

Washington Post Service
WASHINGTON — A Saudi husi-

nessman whose pharmaceuocal plant in

Sudan was destroyed in August by U.S.

cruise missiles has demanded that the

government compensate him and release \$23 million in assets frozen by U.S.

officials who alleged that he was linked

to the extremist Osama hin Laden, legal

utive who purchased the Shifa pharma-

Saleh Idris, a Sudanese-born exec-

and government sources said.

224 people, including 12 Americans, six months ago. The director of central intelligence, George Tenet, told Congress on Tuesday that Mr. bin Laden could strike again at any moment.

Taleban officials have never shown any inclination to turn him over.
"We are going to really make clear to

them the risk they are taking by har-boring Osama bin Laden," a senior State Department official said. "We believe there are real threats against us coming from Osama bin Laden. This is an extremely serions matter, and we are going to hold them responsible for his

The Taleban presides over one of the world's poorest nations. Afghanistan spent the 1980s under Soviet occupation, enduring a war that killed perhaps a

ceutical plant in Khartoum last April, has hired a Washington law firm to represent

him at the White House and on Capitol

Hill and indicated that he would file a

Mr. Idris's lawyers met with four

staff members of the House Permanent

Select Committee on Intelligence to answer claims that Mr. Idris was linked to

Mr. hin Laden and that substances used

to manufacture the nerve gas VX had been found at Shifa.

lawsuit if his demands were not met.

Payment Sought for Destroyed Plant in Sudan

million people and sent perhaps 6 mil-U.S. embassies in Africa, which killed Today, Afghanistan is a refuge for

stateless outlaws, its economy largely a bazaar of guns and drugs. Washington estimates that the country is the source for as mucb as 40 percent of the world's supply of beroin.
The Taleban, an armed religious

group organized with assistance from the Pakistani intelligence service, wrested power from the feuding rebel groups in 1996. The militia has been shunned by most of the world for its intolerance, violence and embrace of Mr. hin Lad-

eo.
"What the Taleban want from the outside world is acceptance and recognition," a State Department official said. "We can't promise we will recognize them, but we're telling them: If you want to be seen as a government, you have to act like a government. If you go along with international norms, you will receive wider acceptance and prob-

ahly greater assistance."
The United States has held periodic meetings with Talehan officials over the last year, sometimes at the United Na-

Separately, the deputy secretary of state, Strobe Talbott, met with Pakistani officials Wednesday to tell them that since "they have used their influence to assist the Taleban in their rise to power, we expect them to use their influence to stop them" from harboring Mr. hin Laden, a State Department official said.

### TRAVEL UPDATE

#### EU-U.S. Pact Sought

BRUSSELS (AP) - The European Commission said Thursday that it would formally ask European Union governments for a mandate to negotiate an "open skies" agreement with the United States to free the trans-Atlantic aviation market.

The EU transport commissioner, Neil Kinnock, warned member nations that unless they accepted a single EU-U.S. agreement, European airlines would lose ont to American competitors.

The commission is taking legal action ngainst Austria, Belgium, Denmark, Finland, Germany, Luxembourg, Sweden and Britain over their bilateral open skies deals with the United States. Under such agreements, both sides exclusively ensure each other's carriers the right to fly between their territo-

### Delta Keducing Food

ATLANTA (AP) — Some Delta Air Lines passengers may find their food

bags lighter.
To cut food costs, the Atlanta-based airline is taking sandwiches out of Sky-Deli bags on 140 flights, replacing them with crackers and cheese or carrots and dip. The bags are offered to coach passengers as they board flights, usually between mealtimes. First-class fliers also will be affected.

Delta is downgrading full meals to snacks in first class on 80 flights. Passengers on another 160 first-class flights will get beverages instead of

#### snacks, a spokesman said. The cutbacks, expected to save \$14 million annually, follow a \$1 billion profit in 1998.

Alliance Questioned MINNEAPOLIS (AP) - The alliance between Northwest Airlines and Continental Airlines could cut competition and increase fares in 63 cides visited by 2 million passengers annually, according to the General Account-

ing Office.
The congressional agency's report suggested that the two American airlines had overstated the benefits of their partnership and understated the risks for

Doug Steenland, Northwest's executive vice president, disagreed, saying that the alliance will create 17,000 flight opportunities in 10,000 markets, benefiting 79 million passengers.

Yemen Airways, faced with a drop in the number of Western tourists after a recent spate of kidnappings and violence, has suspended one of its two weekly flights to London. (Reuters)

Swissair has been ordered by the U.S. Federal Aviation Authority to check its fleet of McDonnell Douglas MD-11 aircraft by mid-April, the airline said. The directive follows the crash of a Swissair MD-11 last year off Canada. killing all 229 people aboard. (AFP)

India will spend 25.29 hillion rupees (\$595 million) to expand its railway network, according to the Railways (Bloomberg)

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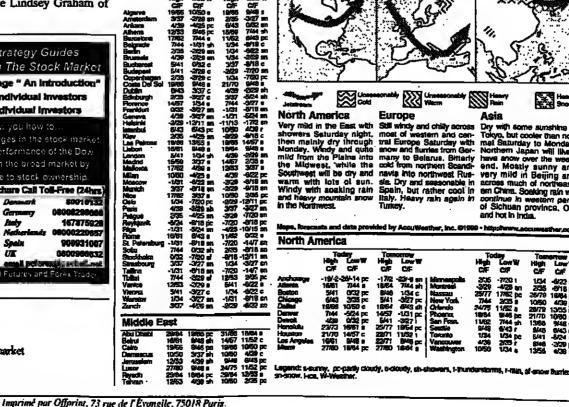
#### Correction

Due to incorrect information supplied by news agencies, two recent photographs in the IHT incorrectly identified a person pictured. In Thursday's edition, the individual greeting Xanana Gusmao, the East Timorese separatist leader, was Roberto Garreton of the United Nations. In Wednesday's editions, Representative John Edwards of North Carolina was incorrectly identified as Representative Lindsey Graham of



See our Education every Monday in The Intermerket

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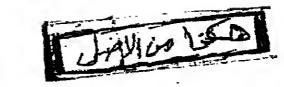
Very mild in the East with showers Seturday night, then mainly dry through most of western and central tempos Saturday to Monday in the Monday. Whidy and quite mild from the Plains into most of western and central tempos Saturday to Monday in Monday. Which and the plains into most form on other Saturday to Monday in Mon 11/52 4/39 pc 13/55 4/39 pc 25/79 14/37 pc 25/79 14/37 pc 25/79 14/37 pc 18/45 pc 25/79 14/37 pc 18/45 pc 16/45 pc 16/45 pc 16/45 pc 16/45 pc 15/45 pc 16/45 pc 15/45 pc 16/45 pc 15/45 pc 16/45 Tomerrow High Low W High Low W GF CF 134 -6/22 a 2255 -6/16 pc 1050 4/39 pc 1050 4/39 pc 1366 9/46 r 1366 9/39 pc 1356 6/39 ah Latin America Oceania 23/73 18/89 pc 21/70 18/89 pc 23/73 22/71 27/80 23/73 sh

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### ank Linked 1 3 itz Funding

relations. Diplomats are seeking a treaty to deal with a separate set of damage claims from elderly survivors of Nazi era alave labor. Those talk, are anned a the creation of a "humanitarian fund inially set up by German industry and government, to pay not claims and slem the tide of new lawsuits from slave labor

The chief executive of Dentsche Bank Rolf Breuer, said he supported Bonn's efforts to find a "comprehensive solu tion, in the negotiations with the United States and Israel. The involvement of Deutsche Bank in the Nazi regime is a cause of deep consternation for us. Mr. Brever said in a statement.

In their rush to internationalize their operations, German companies mereas. ingly have opened their archives and ahed light on the grimmest chapter of their history. Dresdner Bank last month released the first findings of its own independent panel of historians charged with looking into Nazi-era dealings. Even General Motors Corp. has appointed a historian to study the Nazi-en activities of its German subsidiary.

It could take 10 years more to son through the Deutsche Bank archives, Mr. Pohl said. With the opening of the Berlin Wall and new records found in Eastern Germany, the archives now cover 95 kilometers (6 miles) of shelf space.

### France Finds 1 3 **Jewish Assets** Seized in War

By Craig R. Whitney New York Lives See ..

PARIS - A government appointed panel examining the seigne of aser from Jews in France during World War H has reported finding 82 9 million taken from deportees to Nati deal camps that was never claimed and to mains in a government bank.

- In the second interim report since a was set up in 1997, the mine-member panel, headed by a prominent banks and Resistance veteran, Jean Matten. recommended that if the money remains unclaimed, a should go to a governmen fund to expand the Memorial to the University Jewish Marty in Paris.

The panel also recommended by er weeks in museums and French de ratic and government buildings has and abroad sticuld be assembled ad publish exhibited so that owners where

billion worth of Jewish property the was sound in France was teclamed at sound to its original owners in the fis free reas after the war, the panel ad clery furned to other things, and its trace of remaining inclaimed lead

Renewed public ourrage half a cocovery that French museums were the thing works of an whose neads contient they had done title to try min-and by thanges from Jewish groups in built had profited from deposits of at builtion and each that belonged to pay builtion in Mary concentration camps builted in Mary concentration camps. After President Lacques Chiracal of and publicly acknowledged in Bottos based in Vichy, had been min of Crimes against humanity in helps the government decided to find a four much injustice will remained the 75,721 Jews the trench standard for thereis deported to Auschwitz has camps at Drancy, morth of Parts 10 8

from 1941 to 1944, only a Sed retained The intal population of lens in Francis chring the war is estimated at 5000 benefit Lebegue, the head of the philipped that bank where the funds are held La Caisse des Depots & Constitute the bround exoperate fully metors where Anda to their rightful owners



## Senate Votes Not to Call Lewinsky for Testimony

By Brian Knowlton International Herald Tribune

WASHINGTON - The Senate voted Thursday not to call any live witnesses — on a motion that sought only the appearance of Monica Lewinsky — thus keeping the impeachment trial of President Bill Clinton on a quick track toward what the majority leader said would be a "constitutional and fair conclusion" by Feb. 12.

The vote to subpoena Ms. Lewinsky for up to eight hours of questioning on the Senate floor failed by 70 to 30.
Republicans were deeply divided on the question, with 30 supporting an appearance and 25 opposed.

The 45 Democrats, who had said witnesses would needlessly prolong the historic trial, were united in opposition. The motion required a majority of 51

votes to pass.

By 62 to 38, the Senate then authorized both sides to use the videotapes of Ms. Lewinsky's closed-door deposition, as well as those of two other wimesses — Vernon Jordan Jr., a Clinton adviser, and Sidney Blumenthal, a White House aide - in their closing

veracity in a sworn statement.

DeLay's Truthfulness Under Fire

WASHINGTON — Representative Tom DeLay, the Texas Republican who beloed lead the charge for impeachment with criticism of President Bill Clinton's truth-

fulness, has become embroiled in a dispute about his own

Robert Blankenship, a former business partner of Mr.

DeLay's, and his attorney, Gerald DeNisco, said in in-

terviews Wednesday that it was hypocritical for the House

majority whip to attack Mr. Clinton's integrity given what

they said were the congressman's own evasions and mis-

statements in a civil deposition five years ago.

Mr. DeLay denied under oath in a 1994 deposition for a

lawsuit brought by Mr. Blankenship that he was head of

Albo Pest Control Co. He reported to Congress at the same

time that he was chairman of the firm, according to a recent

report in the New Republic. The Hill newspaper reported

Wednesday that an examination of other documents in the

court case indicated that Mr. DeLay made other mis-

statements about the amount of money he was receiving

from the company and also about the amount of speaking

Mr. DeLay declined to address the reported discrep-

ancies. His spokesman, Michael Scanlon, said: "It's pretty

obvious that there are people who are doing everything they can to make Tom DeLay look bad. There's more to this

A Democratic motion to foreshorten the trial by beginning closing arguments immediately failed on almost precisely partisan lines. All 55 Republicans opposed it, while 44 of 45 Democrats supported it. Senator Russ Feingold, Democrat of Wisconsin, who voted with Republicans on earlier motions in the trial, did so again.

The votes underscored the strength of Democratic opposition to Mr. Clinton's removal and the near certainty that he will be acquitted. It would require 67 votes to convict him and make him the first president thus forced from office. The votes also appeared to reflect growing weariness, division and resig-

nation among Republicans.

The majority leader, Senator Trent
Lott of Mississippi, voted to call Ms.

Lewinsky to testify. But earlier he said
the trial could be concluded by Feb. 12, and possibly even a day earlier. Several Republicans indicated earlier

opposing testimeny by witnesses on the Senate floor. "I don't think there's anything to add by calling them in," said Senator Ted vens, Republican of Alaska.

Many senators have privately viewed

POLITICAL

that they would join the 45 Democrats in

videotapes of Ms. Lewinsky's closeddoor deposition Monday and said they included no dramatic revelations.

Senators also voted manimously to admit into the official trial record the depositions of Ms. Lewinsky, Mr. Jordan and Mr. Blumenthal. All were interviewed in closed-door sessions by House prosecutors this week.

The House members prosecuting the articles of impeachment against the president for perjury and obstruction of justice originally wanted to call as many as 15 witnesses. Under severe pressure from an impatient Senate, they reduced their list to three.

But with most senators now certain that Mr. Clinton will be acquitted, the prosecutors' push for witnesses lost steam. By naming only Ms. Lewinsky, the former White House intern at the center of the yearlong scandal, the pros-ecutors appeared to be taking a long-shot effort to show that minds still could be changed.

Representative Ed Bryant of Tennessee, the prosecutor who led the video-taped questioning of Ms. Lewinsky on Monday, said that the young woman he met with that day appeared far different from the more-open witness he had

story than meets the eye. And it will become apparent in the future. In the meanwhile, we choose to sacrifice the public relations aspect for the eventual truth."

(WP)

Chelsea Article Saddens Clintons

Hillary, say they were "'profoundly saddened" by People

magazine's decision to run a coverarticle on their daughter,

Neither People magazine nor the White House would

discuss the article in detail Wednesday night, although the

magazine issued a statement making it clear that the article,

entitled "Grace Under Fire," is about Miss Clinton's

daughter relationship," Carol Wallace, the magazine's

managing editor, said in a recorded statement released by a

White House in good times and bad." Explaining its

decision to feature the Clintons' daughter, Ms. Wallace said

The president and Mrs. Clinton issued a statement saying

they "deeply regret and are profoundly saddened" by the

magazine's decision. For the six years of the Clinton

presidency, the statement said, the media have generally

Miss Clinton is "nearly 19 and a poised young adult."

'There is a great deal of admiration for this mother-

oman. "Over the years, we have written about the

relationship with her mother.

respected Miss Clinton's privacy.

WASHINGTON - President Bill Clinton and his wife,

talked to eight days earlier.

On Monday, he said, she was "very guarded" and not "fully responsive." 'She didn't volunteer her story" and

was "almost protective," Mr. Bryant said. "Her words were carefully chosen and relatively few." He spoke of what he perceived as her "continued admiration for the president, her desire to protect him."

Before the Senate, Mr. Bryant argued, a very different witness might emerge. Gregory Craig, a member of the White House defense team, told senators: "Live witnesses will not advance the factual record. We have known the facts for many months."

Calling witnesses he said, "will not be quick and it will not be easy" and would prevent the trial from being concladed by Feb. 12.

Mr. Lott said the trial would be in adjournment Friday, then resume Sar-urday, when both parties will present evidence. After adjournment Sunday, it will resume Monday for closing argu-

Beginning Tuesday, each of the 100 senators will be given up to 15 minutes to explain his or her stance.

Depending on how long each mem-ber speaks, final votes on the articles of impeachment will be held Thursday or Friday. In another partisan split, Republicans

and Democrats increasingly have broken along party lines on the idea of a "finding of fact" declaration against the president, and a fierce struggle continued Thursday, part of it in public view. Democrats, including their Senate leader, Tom Daschle, have declared the proposal to be unconstitutional.

"The Democrats have blocked it." said Senator Larry Craig, Republican of Idaho. "We don't want this to break into a partisan melee."

Another Republican, Senator Phil Gramm of Texas, said the constitution allowed no option in a presidential impeachment hut to vote to convict or acquit. "The way out is to vote 'guilty' or 'not guilty' and live with it," he said, echoing the stance of many Democrats

The president's spokesman, Joe Lockhart, warned that accepting the 'finding of fact' approach would be to "trample on the constitution."

Asked about Republicans' concerns that Mr. Clinton might portray an acquittal in the trial as a vindication, Mr. Lockhart replied, "I now declare, in a post-impeachment era, this a gloat-free



formation of an exploratory committee on running for president.

### Right's Litmus Test

Conservatives Ask Presidential Aspirants Where They Stand on 'In God We Trust'

> By Richard L. Berke New York Times Service

WASHINGTON - As Republican presidential prospects for 2000 compete with one another to demonstrate their conservative bona fides, it can sometimes be difficult to decipher the genuine article.

But on Wednesday, the Committee to Restore American Values tried to do just that. The coalition of con-servative leaders, including Paul Weyrich and Phyllis Schlafly, interviewed a half dozen possible candidates in closed-door meetings at a Washington hotel and asked them to fill out a detailed questionnaire in the next several days.

The contenders were quizzed on matters small and large, including whether the words "In God We Trust" should remain on U.S. eur-Among the other questions:

chance 'gambling' or 'gaming'?'

"Do you normally call games of

• "Would you snpport a removal of the words 'under God' from the Pledge of Allegiance?" "Should a constitutional amend-

ment guaranteeing the right to life be "What commitments relative to

abortion would you require from appointees to the Supreme Court or lower federal judiciary positions?"

"Do you believe gun control reduces crime?

In a reference to a nativity display, the contenders were asked. "Would you place a creche on the White House lawn if ordered to refrain from

doing so by the Supreme Court?"
Several candidates sought the
group's support. They included Senator Bob Staith of New Hampshire; Representative John Kasich of Ohio; Steve Forbes, the publishing magnate; Gary Baner, former head of the Family Research Council, and Alan Keyes, a former State Department official. Former Vice President Dan Quayle spoke to the group by telephone.

### John Service, an 'Old China Hand' Purged in McCarthy Era, Dies at 89

New York Times Service

fees he collected in the late 1980s.

vice, 89, the first of the "old China hands" purged from the State Department in the McCarthy era, died Wednesday in Oakland, California: As a young Foreign Service officer in World War II he filed prescient reports

on the rival forces battling the occupy- of the mainland in 1949, driving the eventually vindicated but neither they weakness of the former. But after the war, as what became known; as the China lobby swung U.S. policy strongly behind the failing Chiang government. - the Communists gained full control

ing Japanese — Chiang Kai-shek's na-tionalists and Mao Zedong's Communication of the blame fell on what was said itself, ever fully recovered.

The accusers of those men spelled out

mission led by General Joseph (Vinegar Joe) Stilwell to expand the Chinese war effort against Japan. The China experts traveling through the areas controlled by various warlords reported that Chiang Kai-shek's Nationalist party, the Kuomintang, was dragging its feet, reserving its U.S.-supplied arms for an eventual

The old China hands predicted that in such a fight, the Communists would pressure on Chiang Kai-shek to reform journalists, including Theodore White against the Japanese, in cooperation later cast in a controversial light. ican command.

a bank, Mr. Service joined the Foreign Service, and when the Japanese entered through the lines to safety.

information from all factions and parties, including the Communists. He

his government and direct his forces and Eric Sevareid. Those activities were Yu Qiuli, 85, China Politician

BELJING (AP) — Yu Qiuli, 85, a survivor of the Communist Party's epic Long March who rose to be deputy prime minister, died Wednesday, the official Xinhua news agency said.

Mr. Yu lost his left arm following one of many battles during the Long March, the yearlong, 10,000-kilometer (6,250mile) retreat by Communist guerrillas fleeing the Nationalist government's efforts to exterminate them.

### A Fractious Congress Presents **Problems for Brazil's President**

By Diana Jean Schemo New York Times Service

BRASILIA - A raft of newly elected members of the Brazilian Congress switched parties just before taking office here this week, in a move that appears to signal a more fractious second term for President Fernando Henrique Cardoso as he forges ahead with unfinished changes.

Some deputies, belonging to the evangelical Christian movement, dropped the powerful conservative party that had delivered the votes for their elections, joining a smaller party in which they could bold more sway. They promised a more critical stance toward Mr. Cardoso's proposals for change.

Several legislators from the state of Minas Gerais switched to the party of the state governor, Itamar Franco, who is in the middle of a battle of nerves with Mr. Cardoso. Mr. Franco declared a moratorium last month on his state's debt payments to the federal government,

shattering Brazil's already fragile credibility in world markets and unleashing the latest round of economic turbulence.

Mr. Cardoso is waging an all-out cam-paign to put the faltering economy back on course, bolstered by a \$41.5 billion standby loan from the United States, the Group of Seven leading industrialized nations, the International Monetary Fund and other lending agencies. The Brazilian Democratic Movement

Party of Mr. Franco is split between those who support him and those who back Mr. Cardoso. Mr. Franco is widely seen as a likely presidential contender four years from now. Although Mr. Cardoso's coalition en-

joys a comfortable majority of about 380 among the 513 deputies in the House, some important parties in the coalition have disparate factions.

Even Mr. Cardoso's Brazilian Social

Democracy Party shows signs that the ready congressional support he enjoyed during his first term will not last long into his current term.

in the State Department.

Mr. Service once predicted wryly that although he never used his middle name, only the initial, his obituary would identify him not only as an official once accused of espionage, but as 'John Stewart Service.'

their full names, and so they went down in history: John Stewart Service, John Carter Vincent, John Paton Davies, Oliver Edmund Clubb. All were forced out of the Foreign Service. All were

World War II in the efforts of a U.S.

showdown with the Communists.

win. They called instead for American

Mr. Service was born in China of missionary parents. After a brief stint in

Beijing, he escorted American refugees He was assigned to the new Nationalist capital at Chongqing as a political officer in 1941. His joh was to gather

gave briefings to visiting American

### Aide Who Used the Word 'Niggardly' Is Rehired

By Yolanda Woodlee Washington Post Service

WASHINGTON - Mayor Anthony Williams has announced that he will rehire an official who resigned last month because some city employees were offended that the aide had used the word 'miggardly'

in talking about managing a tight budget. The mayor, whose quick acceptance of David Howard's resignation led to a nationwide debate over racial sensitivity and political correctness, indicated in a statement that he had made a mistake and "acted too hastily" in allowing Mr. Howard to resign as head of the city's constituent services office.

The mayor said an internal review had "confirmed for me that Mr. Howard did use the word 'niggardly' but did not use a racial epithet" during a discussion Jan. 15 with two employees of the Office of the

"Niggardly" is of Scandinavian origin and means

"stingy" or "miserly," with no racial connotation.

Mr. Williams said one of the employees, identified as Marshall Brown, had interpreted Mr. Howard's use of the word as a racial slur against hlacks. Mr. Brown has declined to comment

In a private meeting Wednesday, Mr. Williams asked Mr. Howard to return to the Office of the Public Advocate. He declined but said he would accept a

different post in the mayor's administration. Mr. Howard, 44, said he had never felt "victimized" but said the experience had given him "a certain awareness" he did not have before.

"I just feel very pleased that this whole thing has a silver lining," he said. "The silver lining is that this has led to a discussion that can help everyone understand each other better.

Mr. Howard's resignation made his plight the subject of dozens of television and radio broadcasts and newspaper columns across the United States. Locally, it focused attention on Mr. Williams's

discomfort over criticism by some black residents that he had brought in too many white department managers who had little understanding, the critics say, of the black community.

Mr. Williams also eame under criticism from gay activists for having allowed Mr. Howard, who is a bomosexual, to resign.

Many of those who blasted the mayor focused on the way he had handled the dispute and his quiek

acceptance of Mr. Howard's resignation before reviewing the circumstances. Political pundits and linguists alike debated

whether an employee's resignation should be accepted merely because a fellow worker did not understand a word used in a conversation.

"While it is important for a mayor — or any leader to act decisively, make bold decisions and ereate a sense of urgency, it is not always necessary to act hastily," Mr. Williams said. "I believe I acted too hastily in accepting David's resignation."

### The Fur Is Flying

### Swank Beverly Hills to Hold Vote On Truth-in-Slaughtering' Label

Washington Post Service BEVERLY HILLS, California — The labels at the Edwards-Lowell fur salon here give shoppers all that the store's sales director, Fredric Brenner, says they want to know about that coat on the rack: Natural Fox. From

Finland. For \$2,900. But now, this enclave of wealth and privilege may become the first city in the United States to require furriers to affix additional tags to their wares to inform consumers of the methods used to kill the animals whose pelts they desire. If approved by the voters in a city election, the new labels would read: "Consumer notice: This product is made with fur from animals that may have been killed by electrocution, gassing, neck-breaking,

poisoning, clubbing, stomping or drowning and may have been trapped in steel-jaw leghold traps."

After a three-hour session Tuesday night with dozens of speakers, the Beverly Hills City Council voted to place such a truth-in-slaughtering initiative on the ballot for a special election scheduled for May 11.

The controversy is the latest in a long-running campaign by animal-rights activists and others to put the fur industry out of business or force its farmers and trappers, here and abroad, to start dispatching animals in more humane ways.

### **Chavez Seeks Rewrite of Constitution**

New Venezuela President Calls for Changes to All Parts of Government

By Clifford Krauss New York Times Service

CARACAS — In his first hours in office, President Hugo Chavez Frias sent tremors through the political establishment by moving to rewrite the constitution in a process that is highly likely to replace the newly elected Congress with one that has more of his allies.

For Mr. Chavez and his supporters, the 1961 constitution is a symbol of a corrupt political system that has fed popular resentment and apathy. It was written by leaders of the two traditional parties, Democratic Action and Copei, to keep Marxist groups aligned at the time with Cuban-backed guerrillas out of the political process.

Now, Marxist and socialist groups in the coalition that elected Mr. Chavez sorely want to replace the document. As he took his oath of office Tuesday, Mr. Chavez called the constitution moriband even as he pledged to uphold it.

The constitution, and with it the ill-

fated political system to which it gave

Chavez said in his address. "It is going to die, sirs. Accept it)"

In the campaign leading to his land-slide victory in December, Mr. Chavez said that he wanted to replace the ban on presidential re-election, opening the way for him to run for a second five-year term in 2003. That led to warnings from opponents that Mr. Chavez, who as an army officer started an unsuccessful coup against the civilian government in 1992, was still a power-seeking anthor-

Mr. Chavez also said he hoped that a new constitution would take politics out of the judiciary by replacing the con-gressional appointment of judges with one based on selection by a board of legal scholars. He expressed hopes that a new constitution would also replace the system in which party bosses manage the selection of congressional can-didates and then control their votes.

On Tuesday, Mr. Chavez issued the referendum decree, saying that Congress should focus its energies on economic policy. His decree set in motion a birth 40 years ago, has to die," Mr. year of campaigning over three refer-

endums, one on whether to rewrite the constitution, a second to elect delegates to the assembly that would rewrite the constitution and a third on ratifying it. Some opposition leaders criticized Mr. Chavez for circumventing Congress.

But most, apparently reluctant to take on Mr. Chavez at the height of his popularity, had words of mild praise.

'This is a government that needs cooperation,' said Alcibiades Castro, congressional leader of Copei.

Mr. Chavez hopes that a series of ballot victories over the next year will bolster his support among voters as he proposes unpopular measures like slashing government payrolls and imposing new taxes.

Many legislators, all elected to fiveyear terms, are expected to resign to run for the assembly. Mr. Chavez's coalition holds about a third of the seats in each chamber.

President Chavez believes by making the Congress more representative it will be more favorable to him," a Western diplomat said. "This process gets him off to a very powerful start."

#### **Away From Politics**

• The Armed Forces Recruiting Center at the heart of Times Square in New York was dismantled after 50 years to make way for a high-tech version more in tune with the glitzy makeover of Times Square. Before it closed in July, the cramped booth set national records for enlistments, some 10,000 a year, even though its recruiters rejected 9 out of 10 applicants for age, medical problems or other reasons. (AP)

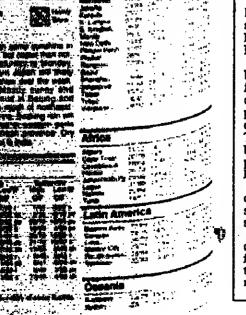
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ERICSSON 5



By Keith B. Richburg Washington Post Service

JAKARTA - Megawati Sukarnoputri says she was in grade school when she realized that she lived a privileged life in the presidential palace — as the daughter of Sukarno, Indonesia's founding father and first president. "I knew only since elemeotary

school exactly who I am," she recalled recently. "I knew I had a big house - I

didn't know it was a palace."
Mrs. Megawati, 51, is hoping to return to the palace her family left more than three decades ago. Her Indonesian Democratic Party is widely considered the country's most popular, and she is considered an early front-runner to be-come president after legislative elections scheduled for June 7.

But first Mrs. Megawati has to overcome a nagging problem. Her detractors, particularly members of Jakarta's intelligentsia — the journalistic and

academic establishment - deride ber as too cautious, too soft-spoken, too matronly in her demeanor. She lacks, they say, a grand vision of where to take Indonesia and how to lead the country out of its economic morass.

It is a criticism that rankles Mrs. Megawati's top aides. "We have grassroots support, but not the students and intellectuals," said Kwik Kian Gie, her economics adviser. "The only group that is difficult and doesn't want to understand is that group of intellectuals." Asked about accusations that Mrs. Megawati lacks vision, Mr. Kwik said: 'We hear that, too. But we ask them,

what kind of vision do you have?" Mr. Kwik said the reason Mrs. Mega-wati had not articulated any bold new plans was simple: There were no new solutions for Indonesia's problems, oth-er than simply following the familiar economic orthodoxy of the open marketplace and the prescriptions of the International Monetary Fund.

It is a philosophy to which even former President Suharto publicly adhered, while privately allowing corruption to eat away at the system and erode the country's earlier, much laoded economic gains.

"There's a reason we don't talk too much," Mr. Kwik said, "If people ask us, especially the foreigners and diplomats with whom we can be more or less honest, our answer is very simple: We don't want to reinvent the wheel." He said, "The written speeches of

Suharto were all very beautiful, but they were not implemented." The difference with Mrs. Megawati, Mr. Kwik said, is that she will carry out the policies without the corruption. "In our case," he said, "we will be very, very clean."

Mrs. Megawati is characteristically tacitum when asked about the visioo issue. During an interview over lunch at a downtown restaurant, she smiled and said only, "Wait and see."

As the campaigning begins, Mrs.

Megawati exudes a quiet confidence about her party's chances. The Indonesian Democratic Party has an estimated 30 million members nationwide, she said, with 311 branches in the country's 27 provinces. She said she was not worried that the proliferation of parties, as many as 200 at last count, would so atomize the vote that the next Parliament would be too fragmented to coalesce behind a presidential choice.

She said she agreed with many foreign diplomats who said the election period was far too compressed.

But the dilemma for Indonesia is whether to press ahead with elections that may be flawed and establish a new government quickly with a popular mandate or to take a few extra months to prepare under B.J. Habibie's unpopular transitional government of Mr. Suharto holdovers, thereby delaying the start of

an economic recovery.
"It's too short," she said of the electioo timetable. "But this nation has a

Continued from Page 1

"If you're looking for a cataclysmic situation, you won't find it," said Jomo K.S., professor of economics at the Uni-

versity of Malava, "I think we have to

recognize this crisis for what it is. It began as a currency crisis and it became

a financial crisis and now a recession.

Some sectors of the ecocomy have been

smashed. But most are doing reasonably

although Malaysia may have exhibited resilience in the face of the crisis, there

is oo telling how much longer the coun-

by the middle of this year, you might start

seeing some of the acute problems that our neighbors have," said Mohammed

Ariff, executive director of the Malay-

economic downturns the world over -

is often calculated using relatively ab-

stract economic data: industrial produc-

tion figures, the rise and fall of exports

and change in gross domestic product, a

Indeed, by many of these calcula-

broad measure of goods and services.

tions, Malaysia is facing its worst eco-omic crisis in decades. The economy

shrank last year by about 6 percent - a

radical shift from the boom-years av-

economic activity has barely dented the

lives of people like Mr. Haris. He and

his family say they are spending less and

putting off plans for foreign holidays.

But seen in the scope of their lives -

and indeed an entire generation of Malaysians who grew up in poor, rural environments but who now live in modern cities—the crisis seems but a blip.

Mr. Haris was raised by his grand-

What is striking is how this decline in

erage of 8 percent annual growth.

Malaysia's economic crisis - like

sian Institute of Economic Research.

'If the economy doesn't reverse itself

try can handle a deep recession.

Economists caution, however, that

MALAYSIA: Crisis? What Crisis?

very crucial problem. If we make it too long, the crisis - and it's a total economic crisis - will continue. How can we manage until we establish the real government of Indonesia?" She added, Can you guarantee that if it the election period, is prolonged, it will be better?"

Mrs. Megawati owes much of her popularity to an affinity for her late father, Mr. Sukamo, who was ousted by Mr. Suharto in a de facin military takeover in 1966.

On the surface, this affection for Mr. Sukarno might seem odd, since it appears mostly among a younger generation not old enough to remember his sometimes chaotic rule. Also, for the last 32 years, Mr. Suharto has tried systematically to write his own versino of history, playing down and at times effacing the accomplishments of the man he deposed.

Referring to Mr. Sukamo by his nick-name, Brother Karno, Mrs. Megawati said Mr. Suharto's efforts to erase her

month near toll booths just outside Ku-

ala Lumpur, a modern capital that seems to belie all signs of crisis. Shopping malls are still bustling, and restaurants

and bars in the city's trendy nightspots

These are things that puzzle a lot of people." Mr. Ariff of the Malaysian Institute of Economic Research said. "Visitors to KL say: 'Crisis? What crisis?'

The city is as active and animated as it

was and people are just as busy. They don't see the crisis by looking around

KL. When they go to Jakarta, they can see the crisis. When they go to Bangkok, they can see it. But in KL they don't."

perceptions of the country are worse

than the country's economic realities.

That is perhaps partly due to the high-profile rhetoric of Prime Minister Ma-

hathir hin Mohamad, who often speaks

in provocative terms of the destruct-

iveness of the crisis on people's lives. Art may have played a minor role in

creating a perception of misery in Malaysia. Kow Leong Kiang, a young

Malaysian painter, last year won first

place in a Southeast Asian painting com-

petition for a work titled "Mr. Foreigo

Speculator, Stop Damaging Our Country!" The painting is apocalyptic; Three young children dressed in rags stand

sour-faced in a blood-red field surroun-

ded by sickly looking water buffaloes. Bot one would be hard-pressed to

find such a scene of abject poverty and

suffering in Malaysia. The country's

resilience to the crisis, economists say,

comes both from its relative affluence

before the crisis and the large number of

foreign workers who "cushion" the im-

pact for Malaysians. As many as a mil-lion foreign workers have gone home to places like Indonesia, Bangladesh and Thailand since the crisis started.

The diversification of the Malaysian economy is another factor. Mr. Jomo

points out that damage to the economy

has been concentrated in the finance,

Many Malaysians say that foreign

are still full, even on weekdays.

father's legacy might be partly respon-sible for the current "Bung Karno" revival. "That is why people want to know: Who is that man; why does he get that treatment?' Young people know he is our founding father.

As a woman and a popular opposition

leader with a famous name vying for the presidency, Mrs. Megawati is sometimes compared to Corazon Aquino, who replaced President Ferdinand Marcos when he fled the Philippines. But Mrs. Megawati dismisses the comparison. I'm always telling people,

· Marie Salaria

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please, no; I'm oot Cory. In seeking to reclaim the presidential palace where she lived as a child, Mrs. Megawati says she is not out for retribution against Mr. Suharto. At most, she says, she wants a revision of the country's official history, so that her father is accorded his proper place in history and some of the mysteries of his ouster and death are laid to rest. "There are so many missing links," she said.

#### BRIEFLY

### As Execution Nears

MANILA, Philippines - President Joseph Estrada ordered the removal of a telephone hot line between his office and the national penitentiary Thursday to dramatize his refusal to spare a convicted child rapist scheduled to die in the Philippines' first execution in 23

Leo Echegaray, convicted of raping his 10-year-old stepdaughby lethal injection Friday after-

### **Indian State Visit**

ISLAMABAD, Pakistan — Pakistan oo Thursday welcomed

Foreign Minister Sartaj Aziz told a news conference that Mr. Vajpayee's visit could help stimulate peace talks between the two archrivals, which conducted tit-for-tat ouclear tests in May. (Reuters)

The testimooy by Chung Tae Soo, former owner of bankrupt Hanbo Steel & General Engineering, contradicted a repeated claim by the former president that he nev-

### Hot Line Removed

ter five times, is to be put to death

Many Filipinos support capital punishment because of exasperation over widespread crime. But others, led by the Roman Catholic Church, say there is no proof that capital punishmeot reduces crime. (AP)

### Pakistan Welcomes

plans by the Indian prime minister, Atal Bihari Vajpayee, to visit by an inaugural hus service, and it urged New Delhi to show the necessary will to settle common disputes.

#### Industrialist Says He Gave to Kim

SEOUL - A convicted industrialist told a parliamentary panel Thursday that he gave former President Kim Young Sam 15 billioo woo (\$12.8 million) in illegal campaign funds in 1992.

### **Jakarta Woos East Timor** On Autonomy

JAKARTA - Foreign Minister Ali Alatas of Indonesia said Thursday that East Timor could set up its own political system, incloding its own Parliament and elections, if the territory accepts

Jakarta's offer of special autonomy. East Timor could choose its own banner while remaining under the Indonesian flag, Mr. Alatas said, while outlining for the first time details of the aotonomy package.

Indonesia is trying to encourage East Timor, a former Portuguese territory, to accept autonomy but remain part of Indonesia as the best solution to its

But in an about-face last week, Jakarta said it may let East Timor go if it refused the autonomy offer. This move abruptly reversed 23 years of staunch opposition to any suggestion of inde-

"The package we are offering is a wide range of freedoms," said Mr. Al-

It includes, he said, "their own political party system separate from the political party system of Indooesia."

'They can arrange their own elec-tion, choose what kind of Parliament they want, and choose their own provincial head," he said. "They can even choose their own banner. President B.J. Habibie said autonomy

would solve the issue of East Timor.
"If that proposal is rejected," he said, "the government will ask the People's Consultative Assembly to decide the fate of the East Timorese after

the June 7 election." Elsewhere, fighting between anti-riot officers and separatist protesters in a oorthern Indonesian town left at least two dead, police and witnesses said Thursday.

The military chief of East Aceh, Lieutenant Colonel Ilyas, said two were dead.

But reports vary as to the death toll. A local reporter said he saw five bodies. Meanwhile, a human rights lawyer cited reports from villagers as saying the known death toll was 16.

Violence broke out Wednesday in Aceh Province during a forum to voice



weapons Thursday as they guarded a post in the village of Vatuboro against possible attacks by pro-independence forces in the province.

support for the Free Aceh Movement, a rebel band that has been fighting for an independent state for decades.

Police and soldiers moved in to break up the meeting in the town of Idi Cut, which was attended by thousands of people. Some protesters hurled stooes at

police and army posts. Officers fired warning shots and then fired live ammunition at the crowd, wit-

oesses said. The human rights lawyer, Yacob (Remers, AP)

Hamzah, has visited Idi Cut and interviewed residents who said that 53 were feared dead and about 100 people

Muda Legal Aid Foundation, said hedid not see the bodies of the victims.

He said that 12 families had identified 15 bodies and that another body was not identified. "But villagers said the actual death toll was 53," Mr. Hamzah said.

parents, who taught him to plant a rice paddy and tend to the rambutan tree in the back yard. Today he is the human resources manager of the country's largest

Mr. Hamzah, director of the Iskandar

one of the most cootentious political issues in Malaysia today is oot the alleviation of poverty or unemployment, but an increase in highway tolls. Op-position politicians staged protests last

THE INTERMARKET

port. He has an Indonesian maid - very common among the country's upper middle class — as well as two cars and a house in the suburbs of Kuala Lumpur.

And despite the economic crisis, none of that seems in jeopardy. It is perhaps a sign of the times that

Demand for such items as computer chips and television sets remains relatively steady. High prices for major agricultural products have also mitigated the effects on the hardest-hit sectors.

construction and real estate sectors.

"Certain sectors are doing extremely well," said Yeap Jin Soo, a partner at Korn/Ferry International (Malaysia) Sdn., a head-hunting firm in Kuala Lumpur. Mr. Yeap said the market for top executives among multinational corporations remained "tight."

er received any mooey from Chung or other businessmen. (AP)

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o father's legacy might be partly responsible for the current "Bung Karno" Karno" revival. "That is why people want to know: "Who is that man; why does he get that treatment?" Young people know

As a woman and a popular opposition looker with a famous name vying forth presidency, Mrs. Megawati is some times compared to Corazon Aquing who replaced President Ferdinand Ma. who replaced resident recumined Marcos when he fled the Philippines Bu Mrs. Megawati dismisses the comparison. "I'm always telling people please, no; I'm not Cory.

In seeking to reclaim the presidental palace where she lived as a child, Ma.
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#### BRIEFLY

#### **Hot Line Removed** As Execution Nears

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Leo Echegaray, convicted of raping his 10-year-old stepdaughter five times, is to be put to death by lethal injection Friday after-

Many Filipinos support capital punishment because of exasperation over widespread crime. But others ied by the Roman Catholic Church may there is no proof that capital nunishment reduces crime. (AP)

#### Pakistan Welcomes Indian State Visit

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ISLAMABAD, Pakistan -Pakistan on Thursday welcomed plans by the Indian prime minister.
And Bihari Vajpayee, to visit by an inautural bus service, and it urgel New Delhi to show the necessary will to settle common disputes.

Poreign Minister Sariaj Aziz fold a news conference that Mr. Vapayer's visit could help sumable piece talks between the two actindicated tu-lertal ALL OF STREET PARTY. (Remots)

#### Industrialist Says He Cave to Kim

SHOUL - A convicted indus relation told a parliamentary panel Thursday that he gave tonner Pre-Kim Young Sam 15 billion wee (\$12.8 million) in illegal can 1 paign funds in 1992 That testimony by Chung Ta

Bando Speci & General Engage contradicted a repeated class by the former president that he notor renoived any money from Chart or other businessmen

# ta Sore Point 'Arrests and Raids in Moscow Portend Possible Crackdown on Corruption

By Celestine Bohlen New York Times Service

MOSCOW - Russia's chief prosecutor suddealy resigns, officially for health reasons, ai-

though no one believes that. A former justice minister, out of office for two years, is arrested on charges of fraud and em-

Then the police confirmed Wednesday night that they had found evidence of illegal wiretapping during a citywide raid of offices and apartments linked to Boris Berezovsky, the bestknown Russian businessman, ace political intriguer and, now, the most public target of what seems to be Prime Minister Yevgeni Primakov's opening shot in a crackdown on economic crime

and corruption. Mr. Primakov sent out a warning last week when he said that an amnesty of 94,000 prisoners would free cells needed to house an incoming wave of corrupt officials and businessmen.

But as Mr. Berezovsky noted in response,

As a man who has openly boasted about his role in making and breaking successive Rossian political formnes, Mr. Berezovsky has already seen the Primakov government methodically chip away at his power base, starting with an attempt to push him out of Russia's largest TV station, which is now virtually bankrupt.

No sooner did he call on Mr. Primakov to cool his threats than armed Russian Federation agents in black ski masks swooped this week through the offices of Sibneft, a Berezovsky-controlled oil company, and Atoll, a Berezovsky-controlled

Atoli has been accused of serving as Mr. Berezovsky's private intelligence agency, secretly spying on top Russian officials and even embers of President Boris Yeltsin's family.

The raids, seen as the final blows to Mr. Berezovsky's dwindling prestige and influence took place Tuesday, the day that President Yeltsin accepted the resignation of the chief

economic crimes are a malieable offense that can be easily twisted to political purpose.

prosecutor, Yuri Skuratov. It was also the same a long time huilding, first over Mr. Skuratov's failure to bring the most publicized Russian hleeding ulcer, unexpectedly made a brief appearance in the Kremlin - his first visit there this year — where, in keeping with past practice, he promptly fired four of his aides.

If, as some believe, the events are linked, then they suggest that Russia is undergoing another bout of old-style intrigue, which, as one expert on Soviet behavior has said, is as difficult to

decipher as a wrestling match under a rug.
"To outside observers, all this smells of deep medieval political barbarity, thickly mixed with an uncivilized reckoning of accounts between opponents," noted a political commentator for Nezavisimaya Gazeta, a newspaper with close ties to Mr. Berezovsky.

In private conversations, Kremlin aides acknowledged that there was more to Mr. Skuratov's abrupt exit than a bad heart, the ailment with which he was admitted Monday to the Kremlin hospital.

They said Mr. Yeltsin's displeasure had been

failure to bring the most publicized Russian crimes to trial and, more receotly, over his failure to move against outspoken neo-fascist and anti-Semitic politicians.

"It was not a sudden phenomenon," one Kremlin'aide said. "It was a sum of all the cases, several of them important, that were not

The prosecutor's foot-dragging in bringing a case against Albert Makashov - a Commun member of Parliament who in October called for Jews to be driven out of Russia - was linked to the resurgence last weekend of a small splinter neo-fascist group in Moscow.

Although Mr. Skuratov has not solved any of Russia's more notorious murders - including the killing of Galina Staravoitova, a widely respected liberal legislator from St. Petersburg he did recently open well-poblicized investigations into the former leadership at the Rusian Central Bank and into some of Russia's biggest privatized companies, earning himself

enemies among liberal reformers and friends among Communists.

But somehow or other, the most prevalent theories about his resignation seem to revolve around Mr. Berezovsky, whose political influence stems in large part from the fact - or the illusion — that he has close ties to Mr. Yeltsin's family, in particolar Tatiana Dyachenko, the

president's daughter and political adviser. According to one version, Mr. Skuratov, fearing Mr. Berezovsky's influence, had dawdled over the investigation into Mr. Berezovsky's wire-tapping operations, even after they were revealed in a newspaper article.

Some say that the driving force behind the ouster of Mr. Skuratov may have been Mr. Primakov, who, after four months as prime minister, wants to make headway on his promise to crack down on corruption.

The Interior Ministry announced Wednesday it had arrested a former justice minister, Valentin Kovalyov, on charges of embezzlement — two years after be resigned amid a sex scandal.

### Russian Mirror Flops Test in Space Tangles With Antenna

KOROLYOV, Russia --- An ambitious Russian attempt to reflect the sun's light toward dark areas of the Earth failed Thursday when a giant mirror malfunctioned.

Russian space station Mir were to bounce sunlight off a 25-meter (82foot) fabric mirror and direct the rays toward the ground, producing beams up to 10 times brighter than

the full moon. But the mirror, which became entangled with an antenna during the first attempt to open it, was left hanging limply from a supply ship.

"At the very beginning, as we were unfolding the reflective mirror, another antenna also unfolded," said Vladimir Solovyov, flight director at Korolyov Mission Control outside Moscow, "It blocked the zone for the mirror to unfold normally."

Space officials, cootemplating the latest setback to Russia's cashstarved space program, said they would decide by Friday whether to cootinue their efforts before the supply ship is left to hum up as it reenters the Earth's atmosphere. "Of course we were hoping for a

complete success, but even this experiênce was useful," said Vladimir Syromyamikov, the project's co-

The experiment was intended to show whether such mirrors can light up the Russian north or other areas with dark winters or bring light to disaster zones. .

tangled with the antenna, the cos monauts Gennadi Padalka and Sergei Avdeyev dislodged it by issuing remote control commands to the Progress supply ship, which had earlier undocked from the space statioo Mir. Later attempts to use centrifugal force to unfold the mirror by to 4,800 kilometers high. The mir-Association France-Ameriques, a diately after the United States, and spinning the Progress — like a rors would be used mainly to light group promoting friendship be-including, he declared, "Germany, whirling dervish whose garment

rises into a circle — failed. Officials said different groups of engineers had not properly coor-dinated their activities, leading to

the mistake. 'It was not a crew mistake," said In the test, astronauts aboard the an official from the Energiya rocket company, which was carrying out the experiment. "It appears to be a programming error."

Mr. Syromyatnikov said it would

take two or three years before a similar experiment could be re-

Russian space officials had hoped a light spot of six to eight kilometers (four to five miles) in diameter would be visible in parts of Europe and in Canada. The Mir astronauts were to try to keep the beam trained oo ground targets for one or two minutes at a time.

The first place to view the mirror which should have resembled a cause of cloud cover.

space mirror test in 1993. Cosmonauts saw the reflection, but it was not visible from Earth.

Russian space officials had been hoping for a spectacular success to bolster their efforts to attract private funds to keep Mir in orbit past its scheduled retirement in June. Many astronomers were protest-

ing the experiment, saying such developments threaten to produce new About two hours after the mirror kinds of light pollution that could

wide as 200 meters and orbiting up (Reuters, NYT)



NATURE'S WRATH — Trucks lying on their sides Thursday on a section of the A1 highway in Yorkshire, England, after gale-force winds blew over dozens of vehicles, causing traffic chaos.

### To Paris, U.S. Looks Like a 'Hyperpower'

PARIS - Foreign Minister

is dominant or predominant in all

operpower," in his view, was

Vedrine said that in other times, perhaps others." great dynastics were almost always

lems," he said.

The remarks were in line with recent attempts by President a Cold War word that reflected mil- Jacques Chirac, Prime Minister Liitary capabilities of both the Soviet onel Jospin and Mr. Vedrine to draw peating the question. Union and the United States. But attention to what France oow calls strength is unique, extending be- tract other countries to the idea of yond economics, technology or mil-counteracting it through French-led

 Mr. Vedrine described France as a "power of world influence," situ-In a speech on Monday before the ated in a category coming imme-

Early in the week, in an interview Hubert Vedrine says that he oow defines the United States as a "hyperpower," a new term that be thinks best describes "a country that the thinks best describes "a country that the describes "a country that the thinks best describes "a country that the center of the world's current probability." I have "the second the steam of the world be done to resist the worl

"How do you counterbalance these tendencies when they are abusive?" Mr. Vedrine responded, re-

"Through steady and perserverlateralism against unilateralism, for balanced multipolarism against unipolarism, for cultural diversity against uniformity.

'None of that will happen antomatically and our influence in the world isn't going to grow all by itself. A strategy, a tactic, a method,

#### Russian Court Refuses to Bar Environmental Treason Suit

BRIEFLY

MOSCOW - In a setback for human rights groups, Russia's highest court refused Thursday to drop treason charges against a retired officer who exposed nuclear

The ruling prolongs the ordeal of Alexander Nikitin, who was arrested three years ago after helping to document environmental pollution by Russia's northern

Mr. Nikitin's arrest has already had a chilling effect on the willingness of Russians researchers to investigate environmental abuses by the military.

It also highlights the weaknesses of the Russian judiciary, which has been careful not to alienate the powerful security services by acquitting Mr. Nikitin or bringing the case to a close.

### IRA Reports Theft of Its Arms

BELFAST - The Irish Republican Army said Thursday that dissidents had stoleo some of its extensive arsenal of guns and bomb-making equipment.

The admission increased pressure on politicians trying to implement Northern Ireland's peace accord, It also provoked more calls for the IRA to disarm - an issue that has blocked progress toward setting up an executive for the province because it would include the IRA's political wing, Sinn Fein.

Mo Mowlam, Britain's most senior minister in the province, said in London that the situation was serious. "It confirms we're entering u very difficult period," she said. "There's no doubt that we oeed to make political progress oow." (Reuters)

#### Polish Roadblocks Dismantled

WARSAW - Protesting farmers dismantled roadhlocks Thursday after they resumed oegotiations with the government over their objections to agricultural reforms and their calls for price increases for farm products. The government demanded as a condition for resumed

meetings an end to blockades on hundreds of roads and highways that started Jan. 25. Officials had termed the protests "demoralizing" to the natioo. "There are oo roadblocks," Labor Minister Loogin Komolowski said, 'so we start talks. And talks lead to solving problems."

At their peak, on Wednesday, the roadblocks of farm equipment and bales of hay were in place on 66 highways and 400 smaller roads. The farmers have threatened to restore them if the talks fail.

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bright star in the sky - was to have been Karaganda in northern Kazakhstan. Residents there said they would not have seen it anyway be-Russia carried out a more modest

The test is sponsored by a team of Russian companies known as the itary might to "this domination of multilateral initiatives. Space Regatta Consortium, which attitudes, concepts, language and foresees swarms of space mirrors as . modes of life."

tween France and the Americas, Mr. Britain, Russia, Japan, India, and are necessary. It's possible."

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#### EDITORIALS/OPINION

### Herald Ternational Tribune

### **Hope for East Timor**

Indooesia's forcible annexation of East Timor 23 years ago has brought death and devastation to the territory's people and been criticized by most of the world's governments. So it is encouraging that President B. J. Habibie now says he would consider granting the territory independence later this vear if his offer of autonomy under Indonesian rule is not accepted.

But the timing and manner of any Indonesian exit must be carefully planned. After nearly a quarter-century of repression. East Timor needs a chance to regain its balance and disarm the warting parties.

East Timor's people should be allowed to determine their own future through an internationally monitored referendum. This should be beld after Indonesian-backed paramilitary fighters as well as pro-independence guerrillas have been disarmed and most Indonesian troops withdrawn.

until Indonesia grabbed it after Portugal's 1974 revolution. The territory's history, culture and religion make it unlike the rest of the Indonesian archipelago. Jakarta's efforts to subdue it bave been vigorously and persistently resisted. A third of East Timor's population died from war, famine or disease in the early years of Indonesian rule. Lisbon and Indonesia's leadership

are now engaged in talks sponsored by the United Nations over the territory's future. Portugal's role has been positive, trying to compel Indonesia to take more account of Timorese concerns. But the people Jakarta really needs to negotiate with are Timorese leaders themselves. Having refused to budge for two decades on the question of East Timor's political status, Jakarta must now move carefully and responsibly toward a referendum. -THE NEW YORK TIMES.

### Peru and Ecuador

The presideots of Peru and Ecuador are in Washington this week to celebraie the signing of a border treaty that is a lot more than a border treaty. It enables them to ask Americans not just to recognize their diplomacy but also to invest in their growth and stability.
The two countries need develop-

ment as well as friendship. Settling what has been called the oldest and most contentious conflict in South America lets the peacemakers advertise themselves as serious modernizers. The new agreement was desigued precisely as an instrument of modernization for both of them.

Border disputes come from more than the lapses of surveyors. This one came from historical and emotional roots deep enough to touch basic sources of identity as well as interest on both sides. The tenacity of nationalistic feelings made it risky but es-sential for Ecuador's president, Jamil Mahuad, and Peru's Alberto Fujimori

in a case with inter
The dispute on the to grasp the nettle.

agreement also provides a plan to develop and integrate the two economies, especially in the impoverished border region. Initial funding is what the presidents seek in Washington. For all their psycho-diplomatic ex-

negotiated that marks a border and provides Ecuador a patch of Amazonian land to booor its soldier dead. The

ertions, Peru and Ecuador needed help from their friends, Argentina, Brazil, Chile and the United States. The four arbitrated the final settlement that the two had bound themselves to accept. Ecuador and Peru deserve congrat-

Mr. Fujimori could huild on the spirit of the occasion by moving all the way to undo his manipulation of the powers of the state against the television proprietor Baruch Ivcher, in a case with international resonance. The dispute on that "border" needs

—THE WASHINGTON POST.

### For Haiti to Escape Haiti is President Bill Clinton's sad- achieved, and such a consensus has not

dest foreign policy disappointment. Five years ago be took a leap and, with 20,000 American troops, restored the coup-ousted populist president Jean-Bertrand Aristide. Hopes of firming up a fledgling democracy and rescuing the Western Hemisphere's poorest economy fueled a deep and expensive engagement. Unfortunately, the Haitian ruling class chose a power struggle over democracy-building, and corruption over development.

Most recently, President Aristide's handpicked successor, René Préval. moved to bypass the existing (and hostile) Parliament in what looked suspiciously like a political coup d'état.

Things are better than they were under the Duvaliers, who ruled by a pervasive terror and permitted not even the small liberties that are honored intervention could not have been met even if a political consensus had been

been even neared. The paralysis of government induced by two years of struggle between president and Parliament has taken a cruel extra cut out of the standard of living. Tens of millions of dollars in foreign aid are tied up. Mr. Aristide evades his obligation to encourage compromise. A succession of Clinton adminis-

tration envoys and congressmen have gone to Port-au-Prince to urge Haitians to subordinate political ambition to na-tional interest. Much of the Haitian elite is dug in and needs to hear from the ontside world. A recent hipartisan delegation led by Representative Ben Gilman, Republican of New York, found an urgent requirement for selection of a broader-based cahinet, establishment of a provisional electoral council with the diversity to be crednow, if mostly in the breach. But the ible, and the election of a legislature of expectations ignited by the American accepted legitimacy. This is Haiti's chance to escape its grinding crisis. -THE WASHINGTON POST.

### Paul Mellon's Legacy

himself an entrepreneur, Paul Mellon accomplished remarkable things with his inherited fortune. Simply by giving much of it away, he parlayed it into a national American treasure, one that includes gallenes, seashores, parks and a huge number of artistic and intel-

lectual endeavors. "Simply," of course, is not really the right word here. As Mr. Melloo remarked once, it is possible to do as much barm as good giving money away. Philanthropy can be a complicated, demanding business. The best of it is grounded in a genuine feeling for the subject at band, consideration for the desires and needs of others, and a pretty good understanding of oneself. Paul Mellon was in many ways the perfect philanthropist. In a country that is rich but suspicious of public spending, stewards of great wealth such as Mr. Mellon, who died on Monday, have an essential role to play.

The National Gallery of Art looms so large and monumental in the heart of the capital that it is easy to forget that it dates only to 1941, was paid for by the

private fortune of Andrew Melloo and was stocked over the years with nearly Paul. Paul Mellon later underwrote the building of the gallery's East Wing, which opened in 1978, and he was deeply involved in the gallery's work for more than a half-century.

Most of his major philanthropic works have a public feel, in part because Mr. Mellon refrained from attaching his name to them, but mostly because they were indeed meant to be places for the people.

Paul Mellon, a very private man, lived comfortably and well most of his 91 years, indulging his passion for raceborses, paintings and other beau-tiful things. As a public man, he left a legacy reflecting that love of beauty. Anyone who wanders the halls of

the National Gallery, the unspoiled Hatteras shore or the many miles of hiking and riding trails that Paul Mellon supported might recall the epitaph written for the architect Christopher Wren nearly 300 ago. "If you would see his monument, look around you."

-THE WASHINGTON POST.

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## A 150-to-1 Ratio Is Far Too Lopsided for Comfort

WASHINGTON — Here is an indicator that should worry us. It has to do with a widening gap between the world's rich and poor.

For years, the measure of difference between the top and bottom 20 percent of the world's population has been obtained by comparing total GNPs of countries with the highest and lowest per capita incomes. The 1993 ratio of 60 to 1 is often ched, even though by 1998 the ratio had risen to 74 to 1.

But these comparisons do not take into account levels within countries. For example, the 1998 ratio has all of Brazil's population in the top category and none of China's in the bottom. The way to make the comparison is

to find the person in the worst position and add upward to encompass the bottom fifth of the world's population, and then add downward from the richest persons to obtain the top fifth.

In the past two years, adequate surveys of income or consumption shares by quintile groups within countries have become available from the World Bank. This permits assembling the richest and By Raymond W. Baker and Jennifer Nordin

compile these groups, you get a stag-gering disparity of 135 to 1.

Even this is almost certainly too low. In most countries, receipts accruing to the wealthy are typically understated. And in many countries published figures are two years old.

Looking ahead to 2000, the World Bank expects poverty in Asia—people living on \$1 a day or less — to double. And of course population growth is highest in the poorest countries.

Considering the shortcomings in the

present data and likely trends in the next two years, we can expect to start the next century with income disparity between the top and bottom 20 percent groups of perhaps 150 to 1, if we are not

Such disparity matters for at least three reasons, beyond humanitarian considerations.

 After the current downturn has run its course, long-term growth can rapidly accelerate, driven by 40 years of astounding technological advances. poorest brackets from wherever people But the chasm between rich and poor may reside. If you use 1998 figures to limits the market for advanced pro-

ducts. Henry Ford understood 80 years

ago that if he was going to sell more cars, workers had to be able to buy them. He doubled wages to \$5 a day. A world linked by low-cost trans-

portation and communication, particularly television, cell phones and the Internet, cannot be expected to remain compatible with a 150-to-1 income gap between major groups. A billion people living in dire poverty alongside a billion in widening splendor on a planet growing ever smaller and more integrated is not a sustainable scenario. Whether it is the rich who must pause or the poor wbo must catch up is likely to be a defining issue in the future.

 George Soros is not alone in warning of tension between democracy and free markets. Free market economics, in the absence of adequate regulation and corrective policy, allows massive inequality in access to education and medical care and accepts resulting discrepancies in standards of living. To maintain peaceful coexistence, income gaps should be narrowed rather than democracy jeopardized.

Three immediate steps would help in what will be a long process of moderating evident extremes.

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A STATE OF STREET

First, cuncel or substantially lighten the \$160 hillion and \$202 billion in official foreign debt of low- and middle-income countries, respectively, conditional on matching internal social spending. Economic growth would be spurred and solidified.

Second, developing and transitional economies urgently need vast improvement in tax collection systems.

Third, the illegal portion of flight capital that flows out of poorer countries (and is aggressively sought by richer countries) needs to be swiftly curbed, with the United States and Europe taking the lead.

A global quintile disparity of 150 to I is fraught with risks for rich and

Mr. Boker is a guest schalar at the Brookings Institution, and Ms. Nordin un associate at Covonce Health Economics: a gront from the MacArthur Foundation has purtially supported their work. They contributed this to the Internotional Herald Tribune.

### The West Is Smug, but It Badly Needs Revival in Asia

By Philip Bowring

ONDON—"Western Economic Forum" might have been a better oile for this year's annual meeting of the World Economic Forum in Davos, Switzerland Asia was barely oo the screen. The Asian crisis was assumed to be last year's story, and the oext Asian challenge not yet on the borizon.

With its high-powered del-egation headed by Vice Pres-ident Al Gore, Treasury Sec-retary Robert Robin and assorted technology wizards, the United States was, at least in public, brimming with optimism about its Internet inventions, its growth rate, its role as driver of an otherwise sluggish global economy. Europe was more muted but still smugly satisfied with the euro launch and the

prospect of increasing Europe's weight in world affairs. All of which may have been fair enough, given the state of

the world today. But what about

the future? The fat years do not

last forever. Many think that Internet stocks are a bubble and the U.S. economic expansion may be in its final phase. What will happen to the rest of the world if the bubble bursts this year and takes the U.S. economy with it?

Curiously, there was scant discussion of the subject, although Davos is supposed to be forward-looking to future sbocks and opportunities. Insofar as there was a con-

sensus it is by implication gloomy. Without the U.S. consumer, the world would be in bad shape. European demand is veloping world has been set back by falling commodity pact of currency and debt prob- much difficulty as Japan prolems in Russia and Brazil.

If that is the correct analysis. one would have expected the assembled leaders to take more seriously the need both to spur European growth and to reverse the illiquidity facing developing countries as a result of capital exodus and IMF-driven high interest rates aimed at cur-

rency stabilization. The West's endless criticisms of Japan's inability to escape from recession would be taken more seriously if Europe were not continuing to run a huge current account surplus and doing little to stimulate capital flow to Asia and elsewhere. The West badly needs revival in Asia flagging. Asia has at best merely and the developing world. The stabilized, and most of the deare dangerously overstretched. Europe's demographics suggest prices and the deflationary im- that it could have almost as

So much for the gloomy global scenario. One can sketch two contrary ones that are gloomy for the United States but not for Asia. Both suggest paying more attention to the non-Western world.

The first is that a bursting of the U.S. bubble would, contrary to most assumptions, be a stimulus for Asia and even Latin America. Capital would stop flowing into the United States and move back to Asia, Brazil etc., enabling currencies to strengthen, interest rates to fall and local demand to revive. The gains from resurgence of domestic consumer spending could more than offset weaker exports caused by U.S. market contraction.

The other possibility is that Asian consumer demand will, of its own accord, pick up this year much more than is assumed, causing a reversal of ghost at the 1999 Davos feast. deflation in prices of cars, chips

and even primary commodities. That would bring a sudden end to the rosy assumption in the - . United States that wages can keep growing at 4 percent, money supply at 10 percent and prices at 2 percent.

Such a reversal in the benign terms of trade that the West has been enjoying would send a shock wave through Wall Street and a lesser one through Frankfurt. It would also mean that the International Monetary Fund would have to read its lecture notes back to Mr. Ruhin - an unexpected triumph for globalization.

Viewed through the Davos prism, the West looks suspi-ciously like Southeast Asia three years ago, Japan in 1990, OPEC in 1980. The party may just last through the millennium, but the unsustainability

### Paying Lip Service to Reform of a Disruptive World System

ical men, America's Henry Kissinger and Britain's Chancellor of the Exchequer Gordon Brown, to remind the businessmen and assorted experts at the

cies' political policy of promot-

ing stability and democracy. The economic program is radical and disruptive. It demands replacement of the existing economy with a new system of internationalized in-

dustry and society, subordinated to the oorms of an implacable market. That this is a revolucionary program is apparent in what has happened in Asia and threatens to happen in

South America.

The policy's internal contra- on Saturday, insisting that,

The program automatically undermines or destroys traditional economic structures of

By William Pfaff

and ways of life. If foreign investment is withdrawn, and the internationalized sector collapses, the program requires that these people

be cast adrift. Are they supposed to go back to the farm? The farm is paved over, the old workshops abandooed, and the forest has been stripped. The poliocal consequences can be clean hands; the IMF did it. devastating, as Indonesia cur-

diction is institutionalized in the contrasting mandates of the World Bank, concerned with backward countries and draws social progress and political sta-World Economic Forum in Da-workers into the international-hility, and of the IMF, applying vos that the economic policies ized industrial sector, at severe rigid fiscal and economic cripromoted by the international cost to indigenous agriculture teria to societies in trouble, with trading and financial commu- and artisanal enterprise, and to the political domain beyond its

scapegoat, even if it was only obeying orders. Its quasi-official nomination to that ungrateful role was apparent at Davos. When Larry Summers, U.S. deputy secretary of the Treasury, attacks what the IMF has been doing, the message has been de-livered — the U.S. Treasury has

The IMF's Stanley Fischer was moved to a bitter response

flying off so try to fix Brazil. lined how narrow are the criteria by which the world ecooomy is currently managed, and

The chairman of the New The IMF has been named the Grasso, made an institutionally self-congratulatory speech to the Davos audience in which he emphasized that what the new world is all about is "investor

> backward oations which want to develop, have only to create investor confidence. This means that they must convince investors that they can make more money in the poor countries than they can make in rich countries with highly developed regulatory systems and tough competition, and also convince them at the same time that the money they make will be perfectly safe. The idea is to

You may have read in economic theory that high return is linked to higher risk. The message that the New York Stock Exchange wants delivered is different. The most telling criticism that has been made of the IMF is, of course, that it has tried too hard to meet that oeed to spare the international investor the inconvenience of risk, arranging for others to as-sume the consequences of his imprudences.

overall, the IMF has been right term money, but no agreement all along. He spoke just before was reached. Reform proposals prosper most in the realm of

The United States remains the unfettered market's great defender, but no longer commands the old confidence in its ability to deliver on its words. Mr. Summers and Charlenc Barshefsky, the U.S. trade representative, were notable for uncompromising messages on how others should behave.

They explained the correctoess and immutability of U.S. policy, listed what the United States requires from Japan, Russia, the European Union and the developing nations (and wben), suggesting, or so it seemed, that those who fail to

to be crushed. Their listeners, however, were commenting on the Clinton administration's reactivation of the U.S. "Super 301" program for protecting American industry and trade, the xenophobia and protectionism of the U.S. Congress (due to rise as the presidential campaign ap-proaches), Washington's failure to pass "fast-track" trade negotiating authority, and the simplistic and ignorant nostrums being promoted by the likes of that formerly influential American, Newt Gingrich, who

was also present. Davos did welcome the polite and reassuring things that Vice President Al Gore and U.S. Treasury Secretary Robert Rubin bad to say, but did not take them very seriously. Its attentinn was elsewbere.

International Herald Tribune. Los Angeles Times Syndicate

1899: Australia's Aims

PARIS — The "Temps" says: "Imperialists in England will celebrate Australian Federation

1924: Church's Purists

op Manning was recently faced with the withdrawal from the Protestant Episcopal diocese of St. Mark's-in-the-Bouwerie because he banned a dancing ritual in the church. Dr. William Guthrie, the rector, defended the dancing of girls clad in Greek costumes on the grounds that it was a "vitally creative work."

#### 1949: Canadian Rule

OTTAWA - Prime Minister Louis St. Laurent indicated that he will ask Britain for Canada's complete constitutional independence. He said. "The British North America act is the foundation of Canadian union. Every time Canadians want any change in the act we have to go through the form of getting the change by the Parliament of the United Kingdom. We cannot really consider ourselves an adult nation so long as we have to submit our final decisions to the Parliament of another country.'

RICHARD WOOLDRIDGE, President and Chief Operating Officer

SAMUEL ABT and NICK STOUT, Associate Editors



New Thinking in Latin America

NEW YORK—The Brazīli-an crisis and the threat of its

By Jorge G. Castañeda extension to the rest of Latin A first involves capital America are generating a good flows. Without going as far as Prime Minister Mohamad bin deal of reflection in Latin America. They might seem to suggest that orthodox remedies and Mahathir of Malaysia and promises of international snpblaming speculators for devaluport, no matter bow substantial, ations and capital flight, there is are insufficient to sustain a cura growing sense that some restriction or inhibition on the rency coce speculators have decided to attack it, and once entry of sbort-term, portfolio governments bave acknowledged that their economic "fun-

damentals" are in bad shape. Also, the Mexican crisis of 1994 and the current Brazilian crisis might indicate that attempts at re-election or at maintaining political power indirect-

ly are poor counselors. One can wonder whether Brazil and its president, Fernando Henrique Cardoso, might not bave been better off keeping the ban on re-election and deliberately adjusting the real's parity in mid-1998, with hage reserves and tranquillity in the markets, instead of being forced into a maxi-devaluation with dwindling reserves and in

the midst of panic. But beyond these immediate the lest of time, a number of intellectual trends are emerging in Latin America. One involves increasing awareness of a need for major correction of the socalled Washington consensus of the late 1980s about free-

market economic reforms.

ternational schemes. Secondly, Latin societies, reactions, which may oot stand by the plunge in key com-

growing focus on social issues ture that modern, competitive to George Soros's call for reg- and cobesive societies require. ulation of capital flows, the mainstream of the public policy debate is shifting, slightly hut surely, away from the Reagan-Thatcher-IMF paradigm of re-cent years. The shift is palpable ment in living standards is a comment to New York Times in three specific directions.

ago, this argument was perceived as anathema in many quarters. Today it is rapidly

establishing its legitimacy Thirdly, while targeted antipoverty programs continue to be the rage in many countries of Latin America, there is a growing sense that in terribly unequal societies the path of minimal universal entitlements is perhaps preferable.

tions with more solid economic

foundations are less vulnerable

to international turbulence, but

the domestic political origins of

the recewed financial diffi-

culties are commoo to many

may boast that they are more

capable of weathering the cur-reot storm than Brazil, but if the

above-mendoned shifts in in-

tellectual discourse do oot sooo

enter the political mainstream,

these three may be buffeted and

even demolished by the same

combination of domestic and

The writer, o political sci-

Che Guevara," contributed this

external winds.

Mexico, Chile and Argentina

Latin American countries.

Establishing a basic "floor" of social rights, no longer funinvestment is probably a good idea in Latin America. ded by payroll taxes but rather Right now oo nation would attempt to dissuade capital from entering its borders — they all through a central tax fund, is seen as a first step toward broadening the struggle against need bard currency desperately but the absence of clear verty 10 one against inequality. In the world's most unequal benefits of attracting speculative funds, and the enormous region, such an effort appears indispensable if recent demodamage wrought by their sudcratic gains are not to be swept den departure, encourage preaway by social violence, crime and collapse of the rule of law. The Brazilian crisis is partly viously dogmatic governments to contemplate and design me-chanisms to regulate these homegrown, partly rooted in the regioo's endemic problems. Naflows. Since it is almost impossible to do so effectively at a

particularly those whose public finances have been devastated modity prices, are beginning to conclude that a major tax effort has become indispensable. They are finally understanding that with tax revenue as a percentage of national income below 15 percent, it is impossible provide the education, From the World Bank's health bousing and infrastruc-

national level, there are grow-

ing calls for regional or in-

Short of raising that proportion to the 25 percent to 30 percent that even the least taxpercent that even the least tax-entist and author of "Coming industrial nations have pañero: The Life ond Death of achieved, significant improvepipe dream. Just a few years Special Features.

Mr. Fischer's defense under-

how ingenuous the political assumptions behind them.

confidence. The poor of this world, the

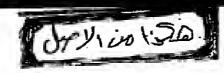
eliminate the downside.

A great deal was said in Davos about new international regulation of the flow of inment, particularly of short-

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

as a triumph. They see in it a commencement of the great imperial federation. Perhaps they are mistaken. Australia united will have interests, passions, aims, which will not be necessarily identical with those of the mother country. It might be that we are now witnessing the start of the dissolution of the British Empire. When will come the turn of South Africa and the North American Dominion?"

NEW YORK - Replying to the campaign of modernists, in a sermon, Bishop William T. Manning insisted upon the acceptance of the creed in its entirety, declaring that the liberty of opinion in the Church must have limits of expression. Bish-



OPINION/LETTERS

### for Comfort

what will be a long process of med erating evident extremes

First cancel or substantially lighter the \$160 billion and \$202 billion in official foreign debt of low and middle-income countries, respectively conditional on matching internal octal spending Economic growth would be appared and solidified.

Second, developing and transmond economics urgently need vast un provement in tax collection systems

Third, the illegal pention of flight capital that flows out of poorer countries (and is appressively sought by richer countries) needs to he with curbed, with the United States and Europe taking the lead.

A global quintile disparity of 150 10 I is franght with tisks for rich and puor alike.

Mr. Buker is a guest scholar in the Breekings Institution, and Me North an associate at Covan e Health East nomics; a grant from the Min Arthur Foundation has partially supported their work. They contributed this to the International Herald Tribuie

### levival in Asia

and even primary commodule. That would bring a sudden of he gloomy e can sketch to the rosy assumption in the United States that wages of mted States oth suggest

keep growing at 4 percent money supply at 10 percentage tion to the prices at 2 percent Such a reversal in the benu i bursting of terms of trade that the Westle ild.contrary been enjoying would send shock wave through Wall Size s, be a stimeven Latin and a lesser one through fruit would stop furt. It would also mean thank nited States International Monetary Fun Asia, Brazil would have to read its lecture rrencies lu

rates to fall notes back to Mr Rubin - x anexpected triumph for glarevive. The alization Viewed through the Day prisht, the West look, supcinusly like Southeast Ar three years ago. Japan in 1991

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world see the unfertered maker sea defender, but no longer connanaged, and mands the old confidence as political asability to deliver on its and Mr. Nummers and Charles of the New Harshelsky, the US making age, Richard adjustionally resentative, were notable to sporch to

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Their hareness housed make in rich highly de were commenting on the (b) systems and ton administration s readily th, and also then of the t'S Super all he same time program for probecting and ey make will wan industry and make the The idea is to . xenophobia and probabilist of the U.S. Congress duclors read in eco- as the presidential compagnation high return is proachest. Wishington, me to pass the black ask accordance authority, and a simplistic and ignorant po trains being promoted by B

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Lette St Laurent and daily herewill come he will ask Britain for the complete constitutional principle constitutional line is the constitutional principle is the c North America and place dather over dation of Canadian union Repleng to in the act we have by him moderness in the former getter the party of William T. the Parliament of the Parliam Kungdon West and the state of t side misselves an administration uten the acpain to no trace in which reed in its crifinal decision de la light palatit

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### A 'Phantom Alliance' Reshapes the Mideast

By William Safire

the specier of a Phantom

Turkey, Israel and the new military and economic ties to the Israelis do not build a pipeline from the threaten them. The Ameri- Caspian Sea through Turkey cans say the U.S. tilt toward rather than Iran. Turkey should be of no concern to Arab monarchs. The Israelis say: Alliance? What alliance? No one of the three is committed to go to war if another is attacked.

The more vociferous the denials, the more other nations become convinced that the Phantom Alliance is now a Middle Eastern fact of life.

And they are right.

Turks, unfairly kept out of the European Union by Germany and Greece, see America as making the world go round and Israelis as a key to American support.

Israelis need a powerful friend in the Muslim world and the large Turkish landmass over which to train their The Americans need Tur-

key as a base to strike Iraq, recognize that keeping sanctions on Saddam Hussein also hurts the Turks. Now follow the three-way

back-scratching. The Turks sell textiles and other commodities duty-free to Israel, the "good" Kurds in north- He apparently sees his eco- that Greek-Americans can

I STANBUL — A specter is which adds its labor to the haunting the Middle East product and sells it to the United States duty-free. This lifts the Turkish economy, which hires Israeli companies United States firmly deny its to construct power plants and existence. Turkey assures feldevelop irrigation projects. low Muslim nations that its Meanwhile, the United States leans on oil companies to

> Israel sides with Turkey against the Greeks on Cyprus. Two Israelis were just jailed hy the Greeks for snooping where Russian anti-aircraft missiles aimed at the Turks were to be installed. The United States, not wanting to hlock a Russian sale, got the Greeks to put the weapons on Crete rather than Cyprus, and to reduce charges against the Israelis from espionage to "possessing scanning equip-ment without a license."

> Israel urges the United States to sell Turkey its Apache helicopters, to use in the battle against the 'bad' Kurds seeking to break off a piece of Turkey. Meanwhile, U.S. and Israeli intelligence officers and diplomats help track down the Turks' most wanted Kurd, Abdullah Ocalan, forced out of Damascus by a threat by Turkey to invade Syria and now seeking refuge everywhere.

In return, the Turks quietly help the United States support



em Iraq who may cause Saddam Hussein trouble, despite United States endangered by Turkish worries about autonomous regions becoming an independent Kurdistan. And the United States needs Turkey to lead the Turkic peoples of Southwest Asia away from

fundamentalism. But never say "the allies." It's just the Three Musketeers marching along together, enemies of enemies. sometimes all for one and occasionally one for all.

Others want to join the informal club. These range from Muslim separatists in Chechnya to a much more significant player - Egypt — of late stridently anti-Is-rael. President Hosni times in the past two months.

the Phantom Alliance and may want the largest Arah nation 10 be part of it. Jordan seemed to be in, but

nomic lifeline from the

King Hussein's firing of his brother as successor throws that into doubt. If Palestinians seize his throne, Jordan could line up with a grouping of That is because, when an

entente becomes cordiale it usually invites a counter-Mubarak visited Turkey three may be strange-bedfellowing.

The United States can hope

such an alignment. Does this mean that any war will immediately spread through the regioo? No; this is not NATO vs. the Warsaw Pact. In a local fight, there would be much holding of coats.

democracies of Turkey, Israel and America. People in Istanbul remind me that in the year 1492, when Ferdinand and Isabella cruelly hanished grouping. Although Russia is Jews from Spain, the Ottotemporarily impotent and the man Empire's Sultan Beyazid Saudis are permanently feck-less, Iran, Iraq, Syria and its raelites to what is now Turcaptive, Lebanon, and the key. Another event of the emerging Palestinian state same year paved the way for key. Another event of the what has become the Phantom Alliance.

The New York Times

#### LETTERS TO THE EDITOR

Germany's Example

Regarding "Fischer, Ger-

what effect working in a building from the Nazi era will have on Germany's new foreign minister, perhaps we should consider what the new German government is saying. Since NATO is an alliance, and an alliance implies a rough equality among its members, perhaps Americans

her's proposals for reform. Germany's successful effort to deal with a brutal past to many's Foreign Minister, form a healthy, stable democan example which many Instead of worrying about countries could learn from. JOSEPH M. GUERRA.

Trofa, Portugal.

Sex Is Not the Issue Regarding "Europe Is No Slacker in the Art of Scandal" (Opinion, Jan. 29) by William

should consider Joschka Fisc- mark when he infers from cour into dropping his oppo-

former mistress - that the to do with sex. Looks Ahead to Berlin" (Jan. racy based on the rule of law is French are eagerly awaiting new revelations. Everyone here knows nearly every detail and most people do not care.

The question is not whether Mr. Dumas was morally right in having an affair with Christine Deviers-Joncour. Unlike Bill Clinton, when Mr. Dumas's affair was disclosed, he never denied it. The real question is: Was Mr. Dumas Mr. Safire is wide of the deceived by Mrs. Deviers-Jon-

what has been written about sition to the sale of warships to the Roland Dumas case — Taiwan? This could be a case particularly by Mr. Dumas's of corruption but it has nothing DANIEL ROCHE.

Saint Genis-les-Ollières, France.

Clinton Impeachment

Will the impeachment of Bill Clinton go down in history as his legacy? I doubt it. Historians will see the impeachment for what it really is: A verdict by a kangaroo court. TOBY MACK

Why doesn't anyone point out the threat posed to the United States by Bill Clinton, a leader who experiences a 'critical lapse in judgment" when shown a glimpse of un-

> A. MORROW. Port Clinton, Ohio.

The American people chose Bill Clinton as their leader. He has brought them good fortune. Kenneth Starr and the Republicans are being excessively severe. EMILE LEFORT.

Luxembourg.

### A Serbian Journalist Faces Prison For Covering a Rancid Little War

By Terence Sheridan

BELGRADE — Dejan Anastasijevic is a tucked between Yugoslavia, Albania and Serhian war reporter who at first glance Macedonia — as belonging to them. has one of the world's no-win beats: Both perfect snake and now his own government wants to charge him with a crime for reporting

A reporter for Vreme, an independent magazine in Belgrade, Mr. Anastasijevic is the first journalist since the Communist era of Tito to face indictment under an obscure article in the criminal code.

He discovered only this January, to his surprise, that he faced charges of 'disseminating false information and alarming the public" for a story he wrote last March about the rancid little war in Serhia's southern province of Kosovo, where the ethnic Albanians, led by the Kosovo Liberation Army rebels, are fighting for independence. "I guess

#### **MEANWHILE**

this is an example of the wheels of justice grinding very, very slowly, said Mr. Anastasijevic, a 36-year-old Belgrader who is married and the father of a 6-year-old daughter. Nevertheless he is flourishing. In addition But the nutreatied associ-ation is good for the three magazine, works as a translator for Western journalists, and writes a column for the Al-

anian-language newspaper Koha Ditore. The Vreme story that got him into trouble, Bloody Weekend in Drenica," was about 25 Albanians killed by the Serhian police, who went on a rampage after four policemen were

killed by KLA rebels 11 months ago.
"Our boys simply went wild," Mr. Anastasijevic quoted a police source as saying. The Albanians, including a 79-year-old man and a pregnant woman, were killed in their homes or in their courtyards. It was the first massacre of the war, confirmed by humanitarian organizations and reported in detail by the Western press at the time.

In a preliminary hearing, the judge asked the reporter, "Why did you go there?" Somewhat nonplussed, the reporter replied:
"That's what I do. I'm a journalist, I cover the

news. And there was a story there."

If indicted and convicted, he faces three years in prison, although legal experts here say the most be would probably receive would

be a suspended sentence.

Meanwhile, the government, with invincible confidence, accuses anyone who disagrees with its no-surrender policy in the impoverished province of being either a trait-or or a CIA dupe bent on "taking Kosovo

away from us.' Kosovo is dotted with 500-year-old religious and historical sites dear to Serbs but which do not mean a thing to ethnic Albanians. The ethnic Albanians make up perhaps 90 percent of an estimated population of 2 million. They consider Kosovo — 4,203

KLA provocation and government retalsides in the Kosovo conflict think him a lation, and vice versa, have hard-wired the province for catastrophe come warm weather, battle season in the Balkans - unless the West forces the Serhs to acknowledge Alhanian autonomy in peace talks scheduled in Paris this weekend. Or, as Mr. Anastastievic puts it. "Things are pumping up and the government has to have someone to blame."

Since Drenica, there have been other massacres, the last one on Jan. 15 in the village of Racak, 15 miles (24 kilometers) south of the provincial capital of Pristina, where 45 Albanians were killed by the Serbian police after rebels killed a policeman and wounded three others the week before.

In Kosovo, this kind of violence passes for a cease-fire, as the province slouches bloodily but inexorably toward the rights and privileges of a republic, along with Serbia and Montenegro, within the Federal Republic of

Yugoslavia. Ironically, Mr. Anasiasijevic, who reported on the first massacre, was precluded from reporting on the most recent one, not by a Serbian nationalist but by an American ambassador. William Walker, head of the Kosovo Verification Mission, which monitors the socalled cease-fire, does not permit Serbian jouroalists to accompany verifiers because he cannot guarantee their safety. And no one else can, Village Serbs consider journalists traitors

while many ethnic Albanians consider them spies, which makes it tough on Serbs in the ousiness of "alarming the public. Last August, in western Kosovo, just off a main road littered with cats, dogs and small farm animals pancaked by Serbian tanks during a village-bashing summer offensive, a Serbian radio reporter and his driver were abducted by the rebels. They have not been heard from since and are presumed dead. They were among nearly 300 Serbs abducted in 1998.

Four months before, also in western Kosovo and just off a main road. Mr. Anastastjevic was seized by rebels and held at gunpoint. They interrogated me for nine hours and one of the questions they kept coming back to is, 'Why did you come here?' 'Fortunately Mr. Anastasijevic was with Jonathan Landay of the Christian Science Monitor, who refused to leave until the Serb was released.

"I won't do that again," Mr. Anastasijevic said. "I will travel only if I know the road is open and there is no KLA. And I only go to Serb villages with someone I know or to see someone I know. There are a lot of village idiots, Serbs and Albanians, and all those idiots have guns. Still, I have to travel in Kosovo. That's my job. That's why I go there.

Mr. Sheridon, o free-lance journalist in Belgrade, contributed this comment to the square miles (10,927 square kilometers) International Herold Tribune.

### **BOOKS**

THE BLOOD ROAD The Ho Chi Minh Trail and the Vietnam War

By John Prados. 432 pages. \$35. Wiley. Reviewed by William E. Odom

THE growing literature on the Vi-etnam War is not easy to classify, hut most of it seeks to explain why the war was lost or how it could have been won. Some of it is dedicated mainly to identifying villains and heroes, and still less of it chronicles combat actions.

"The Blood Trail" belongs to all of these categories. Its author, John Prados. contends that the Ho Chi Minh Trail could never have been cut off and the war could not have been won. To make this case; he must deal with both tactical combat operations and strategy. And in the process he singles out villains and heroes. The book's truly distinctive feature, however, is its sustained focus on the Ho Chi Minh Trail: the dense network of paths and roads from North Vietnam, over mountains, into Laos, through jungles and into South Vietnam.

The trail becomes Prados's window on the key strategic debates in the Johnson and Nixon administrations, as well as on the myriad combat operations in the struggle to control it. This approach works quite well for presenting the story of the Studies and Observation Group, known as MACSOG, or just SOG, and the Special Forces, or Green Berets, as well as for explaining their roles in the war. And it also includes the South Vietnamese army's failed attempt to cut

the trail in 1971. SOG was formed in late 1963 when the U.S. Military Assistance Command took over CIA-controlled indigenous scouts used to monitor infiltration from North Vietnam. It grew rapidly thereafter, especially in its attention to the section of the trail in Laos. U.S. Special Forces, operating in the highlands of

South Vietnam and near the Demilitarized Zone, and sometimes South Vietnamese special forces, also worked against the trail.

The crux of Prados's story is the struggle between those U.S. officials who wanted to take the war north, placing a permanent military force astride the Ho Chi Minh Trail, and those who opposed the idea because they doubted whether it could be supported logistically and because they worried about Chinese intervention. The result was a halting and inconsistent strategy' based on massive bombing (more ton-nage dropped than in all of U.S. strategic bombing in World War II), technology fixes (e.g., the "McNamara line") and surveillance, and raids by SOG- and Green Beret-controlled forces.

Walt Rostow, Henry Kissinger and President Richard Nixon top the list of Prados's villains. Strangely, he defends Robert McNamara, picturing the defense secretary as one who mainly "responded" to proposals brought to him. No military officer who dealt with Mc-Namara will accept this picture of the man they knew for his high-handed arrogance and amateurish understanding of war and strategy. H.R. McMaster's "Dereliction of Duty," a recent and much better documented indictment of McNamara's role, presents a more com-

pelling and less redeeming image.

The strengths of "The Blood Trail" are its descriptions of SOG and Special Forces operations and its considerable treatment of the North Vietnamese side of the conflict. The author says he used a lot of new archival material, and it certainly appears that he did; unfortunately, the publisher has served him poorly by excluding end-note oumbers from the text, making it difficult, not to mention frustrating, to assess his documentation. The book's major weakness is its

Minh's regime.

a very convincing one, that the Chinese

Nor does he explore the contrary stragic choice - a withdrawal in 1963-65, leaving the Saigon regime to its fate and letting Ho Chi Minh "contain China," the ostensible purpose of the U.S. involvement there in the first place and the role the Hanoi regime has long served, such as when it defeated the

The reader is left to puzzle over such issues without much belp. On moral questions, where he passes out hlame in large doses to U.S. leaders, the author leaves us uncertain as to whether the North Vietnamese leaders share any of the guilt. Keeping his opening promise, however, Prados does deliver the most comprehensive treatment yet of the Ho Chi Minh Trail and its place in the war.

treatment of strategic choices. The anthor is right to argue that taking the war wrote this for The Washington Post.

#### north did not work in the "slow escalation" strategy that he rightly calls inconsistent, but he gives only passing attention to the call by the Joint Chiefs of Staff for "rapid escalation" in 1964-65. Nor does he explore the implications of a 1965-66 invasion of the North intended to occupy Hanoi and destroy Ho Chi Prados does make a case, although not

would have intervened had the Hanoi regime been in serious trouble. Evidence of the Sino-Soviet split was available in open Western literature by 1964. Thus President Lyndon Johnson could have played the opening to China, as Prados credits Nixon for doing in 1970. More important and less speculative, the Chinese military was bogged down in its Cultural Revolution, hardly ready to enter a war against the United States. What Prados actually proves is not his main thesis — that the trail could not be cut - but only that the United States was unwilling to pay the price of doing it.

nese invasion of Vietnam in 1979.

William E. Odom, director of national

### BRIDGE

By Alan Truscott

International Bridge Pairs Championship in London. Geir Helgemo and Tor Helness, now established as one of the world's greatest partnerships, took the lead at the start and were never challenged. They were virtually assured of victory before the start of the final day's play.

The final standings were: Helgemo and Helness, 585 victory points; Lorenzo Lauria and Alfredo Versace, 517; Omar Sharif and Christian Mari, 516; Gabriel Chagas and Howard Wein-

One of the most dramatic deals produced minus scores the event for the first time, had to be a singleton, and

The popular contract was

score two diamond winners. with a doubleton. China was represented in

for almost all declarers. If and Zhang Zejun and Xn Sharif continued with the West played four hearts Hongjun sat East and West. A NORWEGIAN partnertwo-trick defeat, since Zhang saw that he might as
Macellan

Mace dummy's lone trump could be well ruff, to provide for the the partnership the same 800 removed. One North player, possibility that his partner did however, unaccountably al- not have a spade to lead. He players had collected. lowed the contract to succeed was rewarded by collecting by cashing two diamond 800, after playing his spade winners and shifting to a winners and giving his partner a ruff. The same result was

five clubs doubled, often after achieved in a different way at the hidding shown. Whatever another table. Omar Sharif, the result. North had to who always holds his own apologize for the five-club with the world's best on such occasions, led the heart king The size of the penalty var- and studied the trick careied. In some cases, West fully. He knew that his partcashed two heart winners and ner. Christian Mari, a world South escaped for down two. champion from France. He could reach the drammy to would have played high-low Therefore the heart five

heart nine. Mari duly ruffed, played his top spades and then a third round. This gave points that the Chinese NORTH

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EP OUT OF YOUR WORLD

### An Anatolian 'Blue Cruise'

### Turkey's Southern Coast Blends Beauty and History

By Stephen Kinzer
New York Times Service

NTALYA, Turkey — During a memorable cruise along Mediterranean coast last June, I saw Odysseus only in my mind's eye. This was almost odd, because his presence is palpable among the islets, bays and ancient ruins that make this trip so rewarding. Here the sea truly is wine-dark and the dawn does have rosy fingers. It takes almost no imagination at all to envision not only Odysseus but also Alexander, Cleopatra, Hadrian and other titans of antiquity gazing on the same sights that await visitors today.

This weeklong trip was a relatively short version of the Mediterranean "blue cruise," an adventure that is becoming increasingly popular among travelers who want to combine dazzling beauty and historical discovery with salt air, seafood, swimming in pristine coves and simple relaxation. The idea for these cruises emerged in the late 1950s, initially as a cultural statement by a group of leftist intellectuals who forged an ideology they called "Blue Anatolia." It beld that modern Turks are beirs not only to the Turkic culture of Central Asia but also to the dozens of cultures that have

thrived on the land that is now Turkey.
In the service of this belief, they set out on boat tours along Turkey's Aegean and Mediterranean coasts, where countless sites associated with ancient Greece, Rome and other civilizations were waiting to be discovered - decades before the explosion of tourism in Turkey. Since then, a modest industry has sprung up to serve those who make the cruise, based at several ports where motorized wooden yachts called gulets, designed especially for travel in these waters, line the harbors.

After deciding to make the trip, my first step was choosing whether to sign up on one of the vessels that make regularly scheduled voyages or to put together my own group and charter a gulet of our own. I chose the latter course and was rewarded by much good fellowship among a group of 10 adults and three children.

We began our trip at Antalya, a city of 1.1 million on Turkey's southern coast that is a jumping-off point for thousands of tourists each year. Most of them choose simply to find a hotel somewhere along the coast and spread out a beach towel. But we had arranged to bave Fantezi II waiting for us. It turned out to be a new 21-meter (70-foot) gulet with a crew of three and seven small cabins, each with a private bath.

Deciding where along Turkey's long sonthern coast to concentrate a cruise is not easy, but the difficulty of the cboice is balanced by the fact that almost any place you choose will prove wonderful.

I had already visited two magnificent sites east of Antalya: the ruins of ancient Perge and the enormous Roman theater at Aspendos, which holds more than 15,000 people and is still used in summer for ballet and opera performances.

#### THE LYCIAN PENINSULA

This time, therefore, I chose to bead west, aiming to travel along the peo-insula that was ancient Lycia. These cities and towns, grouped for centuries into a confederation called the Lycian League, were at various times under the control of Greeks, Persians, Egyptians, Romans and even pirates.

It was late afternoon when we set off from Antalya. Warm breezes quickly began sweeping away the cobwebs that fog the spirits of those who live under urban pressures. For a few hours we sailed past beachfront resort colonies, but before dark they thinned out and we found ourselves gazing at rocky coast-lines that seemed all but unpopulated.

Our reverie was broken by the ring of the ship's dinner bell, which, as we later noticed, bore the faintly unsettling inscription "Titanic 1912." After consuming a lavisb spread of Turkish appetizers, seafood and fresh fruit, we chose, as many cruising this coast do, to forsake our stuffy cabins for the mattresses thoughtfully laid out on the foredeck.

The next day we stopped at the only site oo our itinerary that I had already visited, the ruins of Phaselis. Phaselis is not only remarkably well preserved but must have been like to live in antiquity. Evidently founded by colonists from Rhodes in the seventh century B.C., it quickly became a trading center ricb enough to have its own mint.

There is no museum on the site, and no guide, just a small sonvenir stand where visitors may buy snacks and guidebooks. It is a far cry from the bustling days when Alexander spent several months at Phaselis around 334 B.C., preferring it to other towns in the region partly because he was deeply moved by the sight of its most impressive historic artifact, a broken spear

pressive historic artifact, a broken spear supposedly used by Achilles.

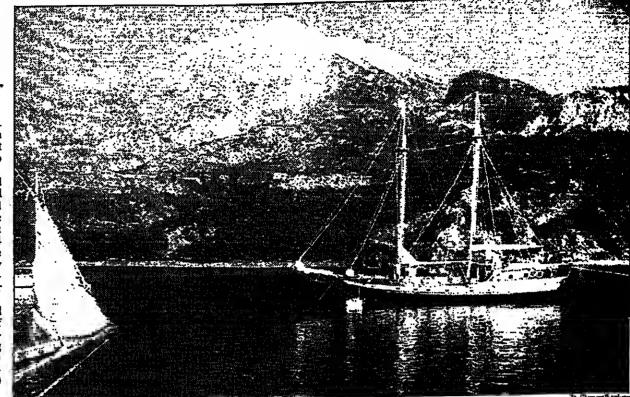
Phaselis's broad main street, paved with cut stones, is lined with ruins of many structures, including a gymnasium that opens onto a public bath, a long Roman aqueduct, a gate dedicated to Hadrian and, most impressively, a classically proportioned theater with 20 mays of stone seats. rows of stone seats.

For the next several days we based ourselves at Kas, a lovely town with a fine harbor that makes it a favorite of gulets and other yachts. On the way we visited a Lycian necropolis at Myra and the nearby Church of St. Nicbolas, built in the 11th century and heavily restored. Both were interesting, but the site has been overrun with tourists on the Santa Claus trail. With so many choices on this coast, we decided to move to lesserknowo places.

S THE days passed, we found another force breezing through our group along with the warm trade winds. Our enthusiasm for exploration, climbing and hiking slowly ebbed as the warm water and hours of nnalloyed relaxation worked their seductive power. But we had not turned completely indolent, and in Kas were the beneficiary of oew inspiration in the form of John Ash, a British-born poet and Byzantine historian whom we had prevailed upon to fly down from his bome in Istanbul to

guide us for a couple of days.

He took us first to an idyllic seaside village called Ucagiz, formerly known as Theimiussa, where we dined at a fine seafood restaurant. After lunch we hiked



Sailboats pause in the Mediterranean off Turkey, the Tarsus mountains in the distance.

past the edge of town to a Lycian necropolis. The Lycians built their tombs above ground, some of them carved into the cliffs and others as free-standing granite structures. On our way back to the boat we stopped at the ruins of what had once been a grand home or palace, its imposing doorway arch intact. A short boat ride from Ucagiz lies the

rillage of Simena, where the most prominent landmark is a handsome Lycian sarcophagus that was built on land but now, with changes in the water level, rises from the shallow harbor about 15 meters (50 feet) from sbore.

After anchoring near it, we climbed a steep hill to a well-preserved Byzantine fortress built on the ruins of one from Lycian times. From the summit there was a spectacular view of wooded islands dotting the multicolored sea. On the way down we stopped to admire the smallest ancient theater I have ever seen, carved from rock in a neat semicircle

and big enough for about 250 people.

During our numerous swimming breaks we saw submerged remains of several ancient towns, but resisted the temptation to join a trip in a glass-

bottom boat or, even more adventurous, a scuba diving tour. We were, however, intrigued by Asb's assurance that there are dozens of magnificent sites in this area that are not mentioned in any guidebook, and challenged him to prove it. He did so most impressively.

BYZANTINE RUINS Traveling from Kas by chartered minibus, we proceeded to a spot about 55 kilometers (35 miles) north, near the village of Dirgenler. We parked at the foot of a deep canyon, which Ash said was the only pass in a chain of mountains near the Tarsus range. Lycian villagers moved inland to this region to escape seafaring raiders beginning in the eighth century A.D. To defend their homes they built an imposing fortress overlooking the chasm below. We walked about a mile along the cliff oo a road cut by Romans.

Near this Roman road, in the middle of a verdant valley, Ash led us through a farmer's yard and past a herd of grazing oats to the glorious ruin of a very large Byzantine church, Towers and walls

We were told that they were all but unique in Turkey and that their purpose remains obscure. The size and dignity of the structure, the rich colors of the surrounding landscape and the sense that very few ontsiders had seen this place in recent centuries combined to make the

experience deeply moving.

By this time the last remnants of pollution and stress were purged from the psyches of everyone aboard. We still had a couple of days left, and we stopped at several small coves. There we swam and viewed a few more anciect sites, among them a Roman bath that is now half-submerged and thus once again available for bathing.

Before ending our voyage we stopped at the town of Fethiye, which in ancient times was famous for soothsayers. I did not find ooe, but if I had, I suspect he or she would have predicted that most of my companions and I would sooner or later be drawn back to Blue Anatolia.

Prices for these trips vary widely. depending on the seasoo and the size of the vessel. A small boat with six cabins were still standing, along with two oc-tagonal chambers on opposite comers. can cost \$200 a day, while a deluxe can cost \$6,500 a day in July and August.

### New Door Into Cuba

American Sanctions Don't Deter Tourists

> By Mireya Navarro New York Times Service

AVANA — At the Marina Hemingway, a complex of botels, restaurants and shops here, the grocery store's shelves are stacked with Kellogg's Corn Flakes and Rice Krispies, Nestle chocolate bars and American cigarettes. English is spoken in the aisles. The sights and sounds are so familiar that Americans may have to remind themselves that they are in Cuba.

A popular playground for Americans before the revolution, Cuba bas been off limits to tourists from the United States for most of Fidel Castro's four-decadeold rule. Under restrictions imposed by the American economic embargo, now in its 37th year, only certain travelers including journalists, government officials and those visiting close family ooce a year for bumanitarian reasons can visit Cnba, spending up to \$100 a day for living expenses. In addition, travelers can apply for a specific license to go if they have a religious or educational purpose, for example.

Anybody else is banned from spending money under the Trading With the Enemy Act, which in practice deters travel. But while the embargo has minimized American tourism, more Americans have found ways to visit since limited free-market reforms adopted by Cuba in the 1990s legalized the dollar.

Since Pope John Paul II's visit last year, the number of American religious and academic groups wanting to visit has skyrocketed, some travel agencies say. Neither Cuban nor U.S. officials have estimates of American visitors, saying the number is difficult to gauge because of unauthorized travel.

At any given time, nine out of 10 boats at Marina Hemingway come from the United States. Americans traveling through third countries like Jamaica oo package tours can often be found at the Tropicana, the legendary outdoor nightclub where Las Vegas-type chorus girls dance to Cuban rhythms. In Varadero, Cuba's premier tourist beach area, the high-end hotels also draw American visitors seeking respite from the decay and hardship that are oow staples of this. country of about 11 million people.

A SURREAL DRIVE Cuba is a time warp. The ride from the Jose Marti International Airport into Havana offers a surreal sight: roads populated by bicycles and 1950s Cadillacs, many in mint condition; billboards filled with revolutionary slogans; the utter absence of fast-food franchises or chain hotels. In Old Havana, unpainted, sometimes crumbling colonial architecture remains magnificent. And an excursion to the countryside, to the Vinales Valley in the Pinar del Rio Province or to beaches and mountains unspoiled by development, makes a visitor feel just plain lucky.



Havana has changed little in the 40 years since Fidel Castro took power.

Travel throughout the island is unrestricted; visitors can get around by bus, train, airplane and car. Public transportation is overwhelmed, but tours are available and visitors can also rent a car, or hire a driver with a car.

Some Americans visiting for the first time say they are struck by the friendliness of the people and the apparent lack of the abject poverty they bave found in such places as Africa and India.

Still, Cuba must ration rice, sugar and other staples, and professionals moonlight as drivers and jineteras, prostitutes, who are the draw for a thriving sex tourism industry. A heavy-handed government provides amenities for tourists that the Cuban people can only dream of. This can all translate into deeply unsettling experiences for a visitor. It is not uncommon, for instance, to dine at a nice restaurant next to kissing couples teenage girls with men three or four times their age; or to have Cuban friends suffer the humiliation of being denied entry to hotels, even to the lobby for a visit.

American officials call it "tourism apartheid," but Cuba says it is trying to promote equality by not allowing special privileges to those with dollars (sent by relatives in the United States or carned by working for tourists). Dollars, however, are sometimes of no use in the face of sbortages. Meat and fresb vegetables can be hard to come by even at better restaurants.

Havana has a wide range of restaurants, and outside the capital most botels have restaurants, all catering to the dollar-carrying customer. The quality of service varies wildly, with botel staffs ranging from efficient and friendly to slow and surly. Worn-out carpets and mismatched furniture can be found in some of the highly rated hotels in Havana, such as the Capri, and hourslong power outages are oot uncommon. One hotel in Matanzas, near Varadero,

sbuts off the water for most of the day. By comparison, Varadero's luxury resorts, the product of government joint ventures with private companies from such countries as Spain, Germany and Canada, seem like a step into the First World. Almost everything is imported, from fruits and meats to tools, and the

feeling is one of pampered comfort. Cuba is relatively cheap; the most

\$200 a night, depending on the season Prices can be even lower if a visitor sidesteps the government infrastructure and deals directly with Cuban solo entrepreneurs. Unauthorized drivers, for instance, charge mncb less than metered taxis, although many of the cars are not air-conditioned and some seem to be-

Lodging with a family and taking meals at paladares, private restaurants in the owners' homes, can offer higher quality at lower prices than hotels and bigger restaurants.

#### THRIVING BLACK MARKET

Also, because of a thriving black market, it is possible to get Cuban cigars at bargain prices. Almost every Cuban one encounters claims to know somebody at a cigar factory, but the product can be runk, and tourists are often warned to buy tobacco only at government stores.

Before the revolution, Americans made up the largest tourist hloc visiting Cuba. Now Canadians and Europeans have filled the void. Tourism, which the government began building up in the 1990s, has increased to 1.4 million visitors in 1998, the Tourism Ministry says. If an ambitions target of 2 million visitors by 2000 is reached, they said, Cuba will have nearly doubled its tour-ism since 1996, "We're bringing more tourists and the tourism infrastructure is also growing," said Manuel Garcia-Crespo, a tourism spokesman.

Among the earliest and biggest private investors in the tourism industry is the Spanish botel chain Sol Melia, which co-owns four upscale botels with the government and manages several others. Carlos Pereda-Navarro, general manager of Melia Las Americas in Varadero, considers Cuba an attractive investment because of government sup-

port and the potential for growth. "We're just beginning," said Pereda-Navarro, who has worked in Coba for the past nine years. The potential would be even greater, he added, if Americans were free to travel to the island.

Some of those who flout the U.S. law to visit Cuba say they do not care about politics. A boater from Key West who was moored at Marina Hemingway said, "A lot of Americans come here basically expensive hotels often charge less than because it's a beautiful country.'

### Winter Fare From 2 Paris Chefs

### Northern Dishes; A Vegetarian Menu

By Patricia Wells

ARIS - I have followed the career of David Van Laer since the 1980s, when he first surfaced as an eager and impressive young chef at Jean-Pierre Vigato's La Manufacture just ontside

Three years ago be went off oo his own to open Le Bamboche, a pintsized restaurant that instantly took off. as diners applanded his combination of modern and classical French fare in a cozy Left Bank setting right behind the Bon Marché department store.

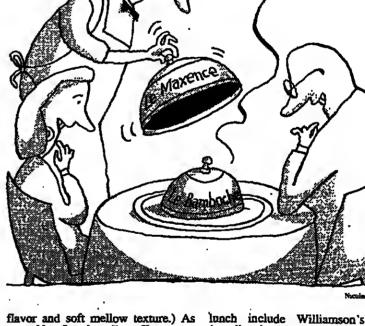
A few weeks ago he moved to larger quarters on the Boulevard do Montparnasse, and if a single meal is any sign, Van Laer should continue along his successful path. Considering the time and energy constraints of getting Le Maxence opened, the oew menu

differs little from Le Bamboche. Throughout his career, Van Laer bas kept true to his own tastes and origins, all the while weaving into the menu dishes from his native northern France. So chez Van Laer you find updated versious of sucb classics as the traditional presskoph bead cheese (here laced with lobster rather than pork) and waterzooi, a sort of chicken pot-au-feu (here prepared with scallops, or coquilles Saint-Jacques).

Best dishes at a recent dinner included a rustic gratin dish with a rich parmentier de queue de boeif, or mashed potatoes layered with bits of slowly cooked oxtail that had been shredded, all served with a gentle truffle ourée.

He has a fine way with pigeon, and samples of two versions - one on the à la carte menu was served in a pastrycased tourte and another on the bargain 190-franc menu was simply roasted prove that this little bird deserves greater exposure. Both preparations showed op the bird's earthy richness and wintry appeal. The tourte was the sort of dish you expect to find on a fine bourgeois table, oot a sunny yellow restaurant on Boulevard du Montparnasse: The pigeon has that properly livery, gamy flavor, enhanced by a sauce bécasse and a few sips of J.L. Colombo's racy 1997 Syrah La Serine Pointue, a bargain at 150 francs.

Another good bet was the first course platter of ravioles (tiny raviolis) stuffed with shellfish and a fragrant truffle cream, and the lobster presskoph, a bumorous and delicious headcheese bathed in an herb-rich vinaigrette. I was less enthused about the frogs' legs fricassée unsuccessfully paired with lentils, garlic cream and snails; and the rémoulade of langoustines, which I would not have ordered bad I known that the langoustines were raw. (It's a sacrilege to serve them raw, for it is in gentle cooking that the langoustines are allowed to bring out their iodine-rich



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ever, Van Laer's cellar offers some bargains and discoveries, including A. Ostertag's spicy Gewürztraminer (the 1996 Vignoble d'Epfig at 180 francs), the Perrin brothers' astonishing white Coudelet de Beaucastel (the 1996 at 200 francs); J.L. Colombo's viognierflorah white Rhône Les Figuières (the 1997 at 170 francs), and Michel Richard's ripe Cotes du Rhône Cairanne (the 1997 at 120 francs).

The oew décor is full of lots of bright sunny golds and terra-cotta, just a hint of the Mediterranean. Go see for yourself. With a bargain 190-franc mean at louch and dinner, and valet parking to boot, how can you miss?

EGETARIANS have never been treated very well in this city. Oh, sure, chefs will prepare vegetable-based dishes if you ask, but most of us really don't want to be a bother or stand out from the crowd. Leave it to Mark Williamson to find a way: Each day at his continually evolving restaurant, Macéo, Williamson offers a full-fledged vegetarian menu, with a selection of four first and main course vegetarian disbes. Each dish revolves around what's in the market and in season, so right now the menu is peppered with chestnuts and fennel, beets and dried peas, onions and apples.

The newly refurbished main dining room at Macéo has been open since September, with sparkling wooden floors, gorgeous stained wood panels in rich oak framing the restaurant's original beveled glass mirrors, and clever, modern lighting. Gone are the old banquettes, dreary and heavy draperies and oppressive, outdated lighting that once were part of the old

Best dishes sampled at a recent

lunch include Williamson's fines lamelles de chèvre croustillantes aux dattes et noix: a soul-warming phylloencased tourte filled with leeks, goat cheese, dates and pine nuts, served with a refreshing little salad of julienned carrots and celery root. Equally appealing was the cannelloni croustillant sur caviar d'aubergines, with phyllo canneloni wrapped around a delicious mushroom stuffing, served with a too-salty eggplant caviar and a

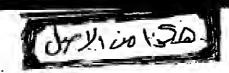
topknot of salad. The risotto — a wildly inventive dish that included a parsley puree, mushrooms, anow peas, fava beans and another signature topknot salad was less convincing. There was plenty of it, but the dish lacked focus, salt and that essential creamy richness of an anthentic risotto.

Wines, of course, are the main reason to come here. Two wonders include a fresh and refreshing Swiss white, Alain Neyroud's pinot blanc (the 1996 is priced at 240 francs) and a racy young Coteaux du Languedoc from Domaine d'Aupilhac (the 1996 is priced at 130 francs.)

Le Maxence, 9 his Boulevard du Montparnosse, Paris 6: tel: 01-45-67-24-88; fax 01-45-67-10-22. Closed Saturday lunch and oil day Sunday. Credit cards: American Express, Visa. Menus at 190 and 320 francs. A la carte, 325 to 375 francs, including service but not wine.

Macéo, 15, rue des Petits-Champs, Paris 1: tel: 01-42-97-53-85; fax: 01-47-03-36-93. Closed Sunday. Credit cards: American Express, Diners, Visa. Vegetarian lunch menu at 180 francs, 220 francs at dinner. Traditional menu 195 francs at lunch, 220 francs at dinner. Prices include service but not wine.

www.patriciowells.com



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We were told that they were all has unique in Turkey and that their purpose remains obscure. The size and dignity of the structure, the rich colors of the surounding landscape and the sense that very few outsiders had seen this placen recent centuries combined to make the experience deeply moving.

By this time the last remnants of pollution and stress were purged ton the psyches of everyone abourd. We sub had a couple of days lest, and we stopped at several small coves. There we swam and viewed a ten more as cient sites, among them a Komin bat that is now half-submerged and the once again available for bottons

Before ending our voyage we storped at the town of Fethice, which in more limes was famous for soothsayers lad not lind one, but it I had, I suspective she would have predicted that most a my companions and I would seem a later be drawn back to Blue Anatola

Prices for these trips vary watch depending on the season and the sizes the vessel. A small boat with six cabie can cost \$200 a day, while a deluve at cost \$6,500 a day in July and August

Paris Chefs

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Directed by Paul Schrader, U.S.
The powder keg in the small New Hampshire town has a name: Wade Whitebouse, keeper of the peace. As played with fierce, anguished intensity by Nick Nolte, who gives the performance of his career in Paul Schrader's cuieth stupping pay film Wada works quietly stunning new film, Wade works part time as Lawford's policeman and knows that his hardest job is policing himself. But during the devastating course of "Affliction," Wade begins losing a lifelong struggle with his army of demons, and his carapace starts to crack. With gut-wrenching pity, the film watches pressures mount until Wade explodes. "Affliction" is adapted, as "The Sweet Hereafter" was, from a penetratingly astute, grief-tinged novel by Russell Banks, whose stirring voice is much in evidence here. But its story is also well suited to Schrader, who finds in Wade's suffering a workaday "Taxi Driver" in the snow. Schrader coaxes

forth the oppressive forces around Wade until they achieve microcosmic fuliness, ranging from childhood beatings by his father to the covert economic rape of a working-class town. Though ponderous literary voice-overs (from Willem Dafoe as Wade's brother) provide armchair psychology, the film is about much subtler signposts on the road to destruc-tion. Schrader has made a film that needs to be watched carefully. He gives it the deliberate plainness that makes every small exchange matter. In a shockingly savage performance, James Cobum rampages through the film as the al-coholic Glen Whitehouse, the man who first cowed Wade into submission. Jumpy black-and-white flashbacks depict Glen's viciousness as this family's most fundamental fact of life and capture the terror of being a small hoy at Glen's mercy. A killing pushes Wade another inch off balance. Schrader guides "Af-

ing in an all too believable tragedy.
(Janes Maslin, NYT) PLAYING BY HEART

Directed by Willard Carroll. U.S. Talking about love is like dancing abont architecture," muses a character in "Playing by Heart," a likably sappy romantic comedy that suggests Robert Altman's "Short Cuts" sprinkled with sugar. The film, written and directed by Willard Carroll, jumps around among an assortment of attractive Los Angelenos of varying ages, in various stages of

fliction" through momentous events in a

spare, sorrowful spirit that exposes their

universality, and finds the deeper mean-



Ryan Philippe and Angelina Jolie in Carroll's "Playing by Heart."

relationships, as they collide and clash and eventually (in most cases) succumb to Cupid's insistent arrows with alarming speed. The core of the film is a series of interlocking duets. Sean Connery and Gena Rowlands play Paul and Hannah, e long-married couple who are avoiding dealing with the recent discovery that Paul has an inoperable brain tumor. But confrontations that are meant to wring tears from a stone feel false and contrived, and Connery's apper lip remains so stiff it seems frozen. Ellen Burstyn and Jay Mohr are more compatible as Mildred and Mark, an attractive widow and her gay son in the final throes of AIDS. But since the same situation has been dramatized more powerfully in several other recent films and television dramas, their mntual confessions sound rehashed. The film's most prominent budding romance finds Meredith (Gillian Anderson), a tense, relationshipphobic theater director pursued by Trent phonic theater director pursued by I rent (Jon Stewart), a funny, easygoing guy whom she initially rejects because be is "too good to be true." And there is Joan (Angelina Jolie), a brashly aggressive aspiring actress who puts the moves on Keenan (Ryan Philippe), a morose, solitary young man she meets in a discoitary young man she meets in a disco who rebuffs her advances. For all its artificiality, "Playing by Heart" per-colates with an earnest charm. It's best to think of it as a smartly constructed modern drawing room comedy set in an

MOVIE GUIDE

DOWN IN THE DELTA

Directed by Maya Angelou. U.S. The problem with "Down in the Delta" isn't that it's not good. It's just a bit too good. This is a workmanlike film. The acting by Alfre Woodard, Al Freeman Jr. and the late Esther Rolle, the directing by artistic jack-of-all-trades Maya Angelou and the script by Myron Goble — all are presentable if less than stellar pieces of work. The problem is that Angelou's schoolmarmish feature debut about the evils of drugs and the big city and the virtues of down-home living makes you feel guilty for finding fault with it. To make matters worse, Angelon and Goble hide their cynical manipulation behind the characters of an antistic little girl (Kulani Hassen) and an Alzheimer's sufferer (Rolle), while throwing in a theme about The Legacy of Slavery for good measure. Opening in inner-city Chicago and moving on to Mississippi, the story of unemployed, doped-up single mom Loretta Sinclair (Woodard) and ber search for salvation is one of those goody-two-shoes stories about What Really Matters in Life. The dreaded phrase "learn to appreciate" is invoked early on, and it sticks out of the movie like a sore thumb. The dreary slave-era flashbacks inadvertently evoke the similar but far superior "Be-loved." Both films are definite downers, but while "Beloved's" time machine swallowed you like a vortex, the pull of "Delta's" past merely tugs on your sleeve like a pest. (Michael O'Sullivan, WP)

Italian and Spanish periods. Start-

ing as a post-Byzantine "Greek style" painter, El Greco was In-

to Italy and Greece. www.offcampus.es/

LOS ANGELES

museo.thyssen-bomemisza/

UNITED STATES

The Getty Center, tel: (310) 440-

7360, closed Mondays. To March

28: "Edgar Degas, Photographer." The French Impressionist was also

e talented photographer. The 40

photographs range in subject from portraits, nucles and dancers to street scenes and landscape They are accompanied by a few paintings, pastels, drawings and

www.getty.edu

Solomon R. Guggenheim Mu-seum, tel: (212) 423-3500, closed Thursdays. To May 9: "Picasso and the War Years: 1937-1945."

An exhibition of 70 paintings, works on paper and sculpture focuses on the artist'e response to

the Spanish Civil War and to the

### For Vacationers, the Seas Beckon

As Ships' Popularity Grows, Cruise Lines Expand Their Routes

By Edwin McDowell

EW YORK During the Gulf War almost a decade ago, cruise lines hastily improvised alternative itineraries while moving their ships as fast and as far away from the war zone as possible. Within days, the Mediterranean was being referred to in cruising circles as the Dead Sea. But the bombing of Iraq in December by the United States and Britain created scarcely a ripple.

This time most ships had already moved from the Mediterranean to the Caribbean for the start of the winter cruise season, and the sustained bombing of Iraq lasted only a few days. If peace prevails, a record number of cruise ships are expected in the Mediterranean and elsewhere in Europe this year. And if the economy cooperates, the number of passengers taking cruises is likely to increase for 10th consecutive year.

Indeed, even taking into account the recent stock market jitters, a forecast by cruise analysts at Bear, Steams & Co. estimates passenger growth this year at 10 to 11 percent. If that turns out to be the case, that would put the number of passengers at about six million — and with-in hailing distance of the seven million passengers in 2000 forecast by the Cruise Lines International Association.

Unclear is what effect the several setbacks last year will have on the industry this year. These included a fire aboard Carnival's Ecstasy last summer, the Monarch of the Seas' striking a reef in St. Maarten harbor in mid-December and having to cancel 12 cruises, and postponement of the inand postponement of the in-angural voyage of the Disney Wonder, Disney's second ship, from March to Ang. 15, toward the end of the traditional summer cruise season.

On the positive side, Pasengers continue to give cruising high marks. And many travel agents, who collectivebook more than 90 percent style" painter, El Greco was in-fluenced by contemporary Italian masters while in Venice and Rome. of all cruises, have vowed to redouble efforts to sell even more berths, to offset income He died in Toledo, Spain, having painted major works for various churches. The exhibition will travel lost by the latest round of commission caps imposed by the airlines last November. In addition, the popularity

of each new big ship seems to confirm the decision by cruise luxury ships have a capacity line officials to compete with resorts, amusement parks, beach towns and ski resorts.

Most new big ships, for example, have elegant restaurants and boutiques, luxury spas, high-tech fitness rooms. and Clipper Cruise Line offer

meeting rooms, theaters featuring large-cast productions, pubs, playrooms and computer rooms, as well as casinos as

glitzy as some in Las Vegas. And there is more to come. ton Voyager of the Seas, scheduled for delivery this fall, will have a full-sized basketball court and ice-skating rink, a rock-climbing wall, a minigolf course, a theater five decks high, a \$1 million seawater aquarium, a wedding chapel and the world's gest roulene wheel.

The Cunard Line's first new ship in about 30 years, tentatively promised in about 2002, will have many of the above amenities, plus a microbrewery and the world's higgest maritime museum.

Because cruise ships have not yet figured out how to equip their vessels with actual golf courses, Crystal's Symphony and Harmony have a total of nine cruises

this year ranging from 11 to 16 days that provide guaranteed tee times at 21 notable golf courses in the Mediterranean, the British Isles, Central America and the Carib-

SMALLER SHIPS Still, many

cruise passengers prefer smaller ships, including ones still in the fleets of Carnival, Princess and Royal Caribbean, the three cruise lines that have led the hig-ship boom. Holland America's largest ships, including three scheduled for delivery by next year, do not exceed ahout 1,400 passengers. Crystal's three ships carry about 850 passengers, while Renaissance Cruises plans to build five 690-passenger ships in the next two years. Silverseas Cruises is build-

ing two ships for 290 passengers, while Radisson Seven Seas, only one of whose ering Germany, Austria and and New Orleans. five ships carries more than 320 passengers, plans to add four more by 2004. Its 320-passenger Paul Gauguin, which went into service last year in French Polynesia, had a 90 percent year-round occupancy, an especially high percentage for a first-year operation and doubly so for a luxury ship with luxury prices. All three Seabourn

Other small-ship cruise lines including Windstar, American Canadian Caribbean. Windjammer Barefoot Cruises, Classical Cruises

the growing niche markets.

Classical's 48-passenger

Halcyon, for example, is of-fering the first and only cruise Moritz, the Matterborn, dedicated to Tunisia, from the Montreux and Geneva. Mediterranean to the Sahara. Royal Caribbean's 142,000- while the 122-passenger Clipper Adventurer will tour both the "bottom of the world," including Antarenea, South Georgia and the Falklands, and the "top of the world," including Greenland, the Arctic and Maritime Canada.

Linhlad Special Expeditions, a pioneer in out-of-theway cruising, is offering year-round, 10-day voyages from Gnayaquil, Ecuador, to the Galapagos Islands aboard the 80-passenger Polaris. The Caribbean remains the

most popular cruise destina-tion, attracting 46.2 percent of

A record number of cruise ships are expected in the Mediterranean this year.

> fallen from 50.5 percent in 1996, in part because the industry has expanded its range from Seattle. A half-dozen and itineraries, while the com-hined share of European and Caribbean cruises has climbed steadily into second place Sightseeing/Cruise West and with 19.6 percent, followed by two 12-passenger ships from Alaska with 8.4 percent. More than 20 cruise lines

will sail the Mediterranean and elsewhere in Europe this year, some of them from April to November. Celebrity will visit the Mediterranean for the first time, its 1,750passenger Century sailing 11night to 14-night cruises between April and October.

While often criticized as overpriced, land packages have made more of Europe available to more cruise passengers. Princess, for example, is enhancing its seven 12-day Mediterranean sail-

water slides, conference and wide-ranging itineraries for Switzerland; Paris, Bordeaux and the Loire Valley, and Italy and the Swiss Alps, in-

Classical Cruises' 12-day Mediterranean cruise, departing Lishon on April 11, has a two-night precruise package tour of Lishon and a twonight postcruise extension in Athens. Orient Lines and Costa Cruises also have Mediterranean cruises and land packages.

Alaska, too, is drawing more passengers. The number of passengers expected to sail on cruises there is 568,000, up from 373,000 in 1994.

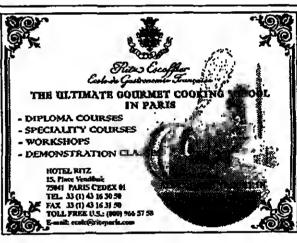
This year Holland America and Princess Cruises, the industry leaders, will each sail six ships to Alaska, with 118 and 104 departures

respectively, one combined total of 221 last year last year. Norwegian Cruise Line's two ships in Alaska this year will depart

the market. But its share has from Vancouver, as do most offer regular cruises departing small ships will also sail to or within Alaska this year, including seven from Alaska two 12-passenger ships from Alaska Yacht Safaris.

> inally, while southern Florida remains the home port for most major cruise lines, occasional or seasonal cruises are steadily increasing from a variety of other ports.

Celebrity will have 11 cruises this spring and sum-mer from Charleston and Newport News, Virginia, and will replace its Celebration in Tampa, Florida, with the 2,600-passenger Sensation, which will sail weekly to Grand Cayman. ings this year with lours cov- Playa del Carmen, Cozumel



#### ARTS GUIDE

urban lotus land where every morning

promises a Valentine's Day surprise. (Stephen Holden, NYT)

LONDON
European Academy for the Arts
& Accademia Italiana, tel: (171)
235-0303, closed Mondays. To
March 28: "The Shadow of the
Night: Etruscan Splendours From
Volterran Tuscany." Ancient artifacts dating to the Etruscan civlization (geventin to second centurn B.C.)

300-8000, open daily. Continu-ing/ To April 11: "Monet in the 20th Century." Feetures 80 paintings completed in the final decades of

www.royalacademv.org.uk

FRANCE

Grand Palais, tel: 01-44-13-17-17, closed Tuesdays. To April 26: "Un Ami de Cezanne et de Van Gogh: Le Docteur Gachet, 1828-1909." Gachet, e general practitioner painter and engraver was e close friend of the Impressionists. Next to a selection of paintings by Van Gogh, Sisley and Pissarro, the exhibition brings together watercolor ssionist paintings by copies of impre Gachet, his son and Blanche

ITALY

VENICE
Palazzo Grassi, tel: (041) 5229875, open daily. Continuing/ To
May 16: "I Maya." Six hundred
items trace the development of the
Mayan divilization in Central Amerwww.palazzograssi.com

JAPAN

Miyagi Museum of Art, tel: (022) 221-2111. To March 14: "Masterworks From the Carmen Thyssen-Bomemisza Collection." More than 90 paintings on loan from the Madrid collection. The works cover European and American painting

26 Start to believ

29 What pupils

30 They may have

31 Amateur mag.

32 Company .

41 Roster abbr.

bells or whistles



Cezanne's "La Maison du Docteur Gachet," in Paris.

from the 18th century to the beginning of the 20th; landscapes, genre painting, Impressionist, Ex-pressionist and Fauvist works.

Hara Museum of Contemporary Art, tel: (3) 3445-0651, closed Mondays. To March 22: "The Affirmative in Art." With works by Robert Indiana, Richard Long, Jean-Pierre Raynaud, Andy War-hol and Tanadori Yokoo, the ex-

hibition attempts to reflect the feelhos that motivated the ertist at the e of the creation.

"Marc Chagel: Jewish Traditions."
Forty paintings by the Russlan-French painter who was pro-foundly influenced by Russian art

and his Jewish mots. Museo Thyssen-Borne (91) 420-3944, closed Mondays To May 16: "El Greco: Identidad y Transformación." The artistic itin-erary of the Spanish artist between 1560 and 1600, during his Cretan

#### occupation, and later liberation, o France. Also included are studies for "Guernica." www.gugganheim.org

CLOSING SOON

EUROPE Feb. 7: "Rosemarle Trockel. Whitechapel Art Gallery, Lon-

don. Feb. 7: "Frank O. Gehry." Louisi-ana Museum of Modern Art, Humloback, Denmark. Feb. 7: "Die Nacht." Haus der Kunst, Munich, Germany. Feb. 7: "Magritte." Fun Joan Miro, Barcelona.

Compiled by Melanie Rodier

# You might think that Michael Jackson, Pope John Paul II and German Football don't have much in common.

You're guite right - but there is one place which has seen them all: the Olympic Stadium in Berlin. And the next time they are there, there's a good possibility that they will gree! their audiences under a spectacula

The Olympic Stadium is to be renovated and modernised to provide an appropriate setting for special events with international flair, Land Berlin intends to entrust this task to an experienced investor. In return, Berlin offers rights of use and operation for an initial period of 30 years.

project developers, site managers. operators and financiers from

For further details on the tender stage please write to the Senatsverwaltung für Bauen, Wohnen und Verkehr (Senate Department of Building, Housing and Transport) for a free information brochure, which will be available as of 8 Fabruary 1999. This department will also be able to provide you with further information on the tender procedure.

und Verkehr, Referet VI F refarence: Olympiastadion Berlin Rehrenstraße 42. D-10707 Berlin

Mr. Neubauer, Mr. Hammelbeck Telophone ++49 30 9020-5515 Telefax ++49 30 9020-5653 Internet: http://www.bau.berlin.de

The closing date for tenders is

#### CROSSWORD

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**ACROSS** 

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42 Like e good 42 It may require surgery 45 Cigarette pkg 47 Kafica novel 49 Eats one's heart

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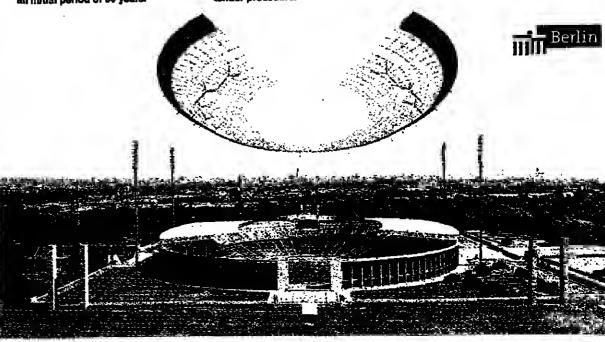
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48 Business abbr. 49 Boxer's warming

12 Dilapidated 13 Athletes activities on 17 Monopoly O New York Times/Edited by Will Shortz

See our International every Wednesday in The Intermarket



By Craig R. Whitney
New York Times Service

RAMBOUILLET. France — The former royal French bunting castle where peace negotiations on Kosovo are scheduled to start Saturday is a world away from Wright-Patterson Air Force Base in Dayton, Obio, where similar talks led to an uneasy peace for Bosnia in 1995.

Dayton bristled with intimidating American military might and technological prowess. Rambouillet is a backwater tourist attraction subsisting on past glory, a cozy 18th-century brick castle attached to a 14th-century stone dungeon tower at the edge of the town, an hour or so southwest of Paris. After the French foreign minister,

Hobert Vedrine, and the British foreign secretary, Robin Cook, the co-chairmen of the talks, formally open the negotiations Saturday afternoon, French officials say they plan to close the tail iron gates and leave Serbian, Kosovar Albanian and international oegotiators inside to talk, eat, and aleep in the 30 bedrooms of the castle until they produce a second duce an accord.

"The principle is to force the different parties to work out an agreement, and communication is not the first priority, said Bernard Valero, a French Foreign Ministry official, indicating that blowby-blow accounts would come from the participants if at all, not from the or-

cooped op until they produce an agree-ment that gives the province, which is 90 percent ethnic Albanian, autonomy from Serbia for a three-year interim period.

30,000 troops to keep the peace. If there is no agreement, NATO warplanes could go into action against Serbian military was held by Slobod targets, unless the ethnic Albanian side is ident of Yogoslavia

They will have oo more than two the principal obstacle to peace.

Continued from Page 1

ering" deploying American troops as part of an international peace force in

It was the first time that Mr. Clinton

had spoken publicly about committing ground in Kosovo could prove essential U.S. forces to such an effort. But Mr. in giving both sides the confidence they

Defense Secretary William Cohen had made similar remarks to a Senate committee Wednesday.

Congress has been reacting skeptically to the Clinton administration's sug-

keeping force.



Rambouillet castle, an official residence of French presidents near Paris and the venue for Kosovo peace talks.

weeks from Saturday to agree, and if they do, Britain, France, the United States, Germany and other countries would be

KOSOVO: Belgrade Orders Delegates to Peace Talks to Be Tough

Macedonia and even draw in Greece and

checked, could spread to Albania and involved in Kosovo peacemaking.

Speaking to a group of business leaders, Mr. Clinton said, "If a settlement is reached, a NATO presence on the ground in Kosovo could prove essential to repress ethnic Albanians in the

Isolation, or at least as much as is possible in the age of portable phones, and the ever-present pressure of possible military intervention was also key to Though Mr. Milosevic came to In theory, the negotiators will be expected to send in a force of 20,000 to military intervention was also key to

side whose brutal attacks against ci- chief U.S. negotiator in the Dayton talks,

Leveling another threat at President Slobodan Milosevic of Serbia, even after

peace accord there, but that number is

Dayton, he is not expected to come to But then as now, the real key to peace. Rambouillet, but instead to send a delwas held by Slobodan Milosevic, presegation headed by a deputy, Milan ident of Yogoslavia, the leader of the Milutinovic. Mr. Milutinovic told the

had yet been made, and he laid out specific conditions that must attend a U.S. role.

Mr. Clinton's comments, and a speech later in the day by Secretary of State Madeleine Albright, are part of an accelerating campaign to prepare the American public for the likelihood of sending troops once again to the Balkans and to gain support for that effort.

Defense Secretary William Cohen

need to pull back from their fight."

"If that happens, we are seriously considering the possibility of our participation in such a force," he said. "We are discussing it oow with Congress and our allies, but no decision has been our allies, but no decision has been should make op the bulk of a peace force in Kosovo, the province in Serbia where Serbs and ethnic Albanians have been enmeshed in civil and force in the possibility of our participation in such a force," he said. "We are discussing it oow with Congress and our allies, but no decision has been reached."

Mr. Clinton was adamant that no troops should be committed before the parties agreed to stop fighting.

Under pressure from senators at a public hearing Wednesday, General Henry Shelton, chairman of the Joint Chiefs of Staff, put potential U.S. troop involvement in Kosovo at between 2,000 and 4,000 if NATO settled on an overall force of 20,000.

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Mr. Clinton said the European allies should be Mr. Clinton, making the case for intensified involvement, said the United Prime Minister Mirko Marjanovic,

'The Balkans are an explosive area."

Prague Spy Scandal Raises Concerns Over Czech Entry Into NATO

Richard Holbrooke, in 1995 that he would have no authority or flexibility in any talks on Bosnia because, he said, The Master," meaning Mr. Milosevic,

will pull all the strings." Mr. Holbrooke, whose relationship with all the protagonists and whose con-nections with the Clinton administration were crucial to success at Dayton, will not be in Rambouillet either.

"Those considering other Daytons should proceed with caution," Mr. Holbrooke wrote in his memoir of the Bosnia talks, "To End a War," published

last year by Random House.

"It is a high-wire act without a safety net," he went on. "Much work must precede the plunge into such an all-ornothing environment. The site must be just right. The goals must be clearly defined. A single host nation must be in firm control, but it is high risk for the

host, whose prestige is on the line. The consequences of failure are great."

In a telephone interview, Mr. Holbrooke said that he would be in daily phone contact with the lead mediator in the Rambouillet talks, Christopher Hill, the U.S. ambassador to Macedonia, who was Mr. Holbrooke's chief deputy in the

Dayton negotiations.

Mr. Hill, shuttling between Belgrade and Pristina, has developed the kind of relationship with Serbian and Kosovo Albanian representatives that be and Mr. Holbrooke had with Serbian, Croatian,

and Bosnian leaders in Dayton.

And it was Mr. Hill who, with a European Union negotiator, Wolfgang Petritsch, developed the 20-page framework for the negotiations that Mr. Cook presented to both sides last weekend, along with an ultimatum for the Serbs to appear at the talks or face NATO bomb-

"It's all going to come down to Chris, who's been designated the Contact Group oegotiator, not the American one," Mr. Holbrooke said, referring to the six-nation group — the United States, France, Britain, Italy, Germany and Russia - that called the talks.

"I think the chances are greater than 50-50 for an acceptable outcome," Mr. Holbrooke said. "The key to the whole thing is a permitted entry into Yugoslavia by NATO ground troops, and the allies will be there if we're there."

But the ethnic Albanian delegation is fragmented, with political leaders including both Ibrahim Rugova, head of the Democratic League of Kosovo, and Rexhep Zosja, a longtime rival, and five representatives of the Kosovo Liberation Army, whose continuous attacks after a cease-fire Mr. Holbrooke ne-gotiated in October with Mr. Rugova precipitated brutal Serbian attacks

States had worked for years to restore peace in the former Yogoslavia and was proud of its role in ending the war in Bosnia.

Some 28,000 troops were initially to peace and stability in Europe was the Serbian Parliament. The said the biggest remaining danger to peace and stability in Europe was the Serbian police forces killed to civilians in the village of Racak Jan. to back up a Contact Group ultimatum to (Reuters, AP) both sides to start peace talks.

### BRIEFLY

### Top Suspect in Cairo Vows Anti-U.S. Action

CAIRO - The main suspect in the largest-ever military trial of Egyptian Islamists warned from his prison cage in court Thursday that Muslim terrorists were planning to target U.S. interests around the world.

The two anti-American attacks in Kenya and Tanzania were not simply advertisements," said Ahmed Ibrahim Naggar, referring to the bombings of U.S. embassies last August that left 224 dead and bundreds wounded.

The trial of 107 Muslim fundamen talist leaders from the movement Al Jihad opened Monday in northern Caire at the Huckstep military high court; the court's verdict cannot be appealed.

Sixty-three of the men are being tried in absentia. Of the 44 present in court, including Mr. Naggar, all pleaded not

#### A Plot to Attack Jews Is Laid to 40 in Gaza

GAZA - The Palestinian police said here Thursday that they had rounded up
40 Islamic militants who, suspected of
being financed by \$35 million from Iran,
had been plotting attacks on Jewish settiers in the Gaza Strip.

Major General Chazi Jabali said the

police also had seized arms and explosives collected by the 40 members of Izz el-Deen al-Qassam, the underground a military wing of Hamas, for sabotage operations, including one planned in the next two weeks.

'We have documents that they have already received \$35 million to carry out sabotage operations against Israelis in the Gaza Strip," General Jabali said. He added that the money had come from

unspecified parties in Iran.
Although the Palestinian arrest of Hamas activists has been sought by Israel as part of its peace deals with the Palestinians, the roundup appeared mo-tivated by domestic concerns. (AFP)

#### Saddam and Aides Review Air Defenses

BAGHDAD - President Saddam Hussein and his top aides discussed Thursday how to improve Iraq's air defenses to confront U.S. and British war planes, the Iraqi News Agency report-

Earlier in the week, Mr. Saddam gave orders to pay 25 million dinars (\$14,000) to any air defense troops who shot down a hostile aircraft.

A senior member of the governing Baath, Abdul-Ghani Abdul-Ghafur, said Iraq would continue to challenge Westem-imposed no-flight zones in southern

### **Rushdie Gets** Visa to Visit Homeland

gestions that U.S. troops might be

occeded to belp NATO enforce a peace

New York Times Service

NEW DELHI - Salman Rushdie, acclaimed Indian-born novelist and deoounced Indian-born pariah, has been granted a visa to return to his native land, the country whose ban of his book 'The Satanic Verses" began a chain of events that led to death threats by offended Muslims and a life in hiding for a writer with a price on his head.

The decision, made within the highest reaches of the Indian government, was confirmed Thursday by a spokesman for the Ministry of External Affairs. When it was broadcast, it triggered immediate threats of violent demonstrations. 'We will protest within a constitu-

tional framework, but I warn the gov-ernment of India that a righteous fol-lower of the Holy Prophet may make an attempt ou Mr. Rushdie's life and each Muslim will be proud of this person," said Syed Ahmad Bukhari, deputy priest of Jama Masjid, the best-known mosque

'Mr. Rushdie wrote a book that hurt the Muslims of the world," he said. "The painful memories are still in the minds of people. If the government goes vision with advisers she believes are ahead with its plans, Muslims will not dragging down Mr. Arafat and the Paltolerate this. I appeal to the government to stop it."

Foreign Minister Jaswant Singh said in London that India would provide "all adequate security" for Mr. Rushdie. While the British anthor, born in

"It's a terrible thing to be unable to go to International Airport, which operates the country of oue's birth, and it'a been under strict Israeli security supervision, over 10 years, which is certainly the as "a branch of Ben Gurion in Gaza.

the light. I've got aunts and uncles and run casino in Jericho as "a disgrace." consins and friends littered all over the

lows a major stride from hiding last Right across from a refugee camp, no government from a fatwa, or religious oh, we have gambling. Great!"
edict, that had been issued by Ayatollah And she mocked the Americanedict, that had been issued by Ayatollah year, had charged Mr. Rusdie with blas-phenry and called for his death. Netanyahn of Israel in October. She did not attend the signi

Muslims in Iran and elsewhere have agreement's fulfillment has been frozen

plan in Kosovo. But Mr. Clinton said he indispensable role to play in the Balkans peace accord there, but that nur was concerned that the violence, if un- and "compelling reasons" to get deeply now greatly diminished, he said.

She said the United States had an

By Peter S. Green International Herald Tribune

PRAGUE — As the Czech Repoblie prepares to join NATO this year, a murky spy scandal has erupted in Prague that raises concerns among top officials that the country could not keep secrets while uncovering an alleged Iraqi plan to blow up the Prague headquarters of the U.S.-owned Radio

On Sunday, a Czech televisioo station disclosed the name of the chief British spy in Prague after alleging that he had been behind the dismissal several days earlier of Karel Vulterin, the head of the Czech counterintelligence service, the BIS. Speculation in the press and guarded statements

by government officials suggested that renegade Czech intelligence officers, upset over the firing of their boss, had leaked the story to the TV station. President Vaclay Havel said he was "uncertain about how enthusiastically" NATO members would share intelligence with the Czechs "when they see how in the Czech Republic absolutely

everything gets gossiped about."

The Czech Republic, Hungary and Poland are expected to join the North Atlantic Treaty Organization at its summit meeting in April.

According to Czech press reports, the Briton, the impression that the Czech Republic was not a allegedly an agent of the MI-6 overseas intelligence service, was upset over the Czech han-dling of an Iraqi diplomat who had been asked by Baghdad to blow up Radio Free Europe's building in the center of Prague.

The British Embassy has declined all comment on the matter.

The Czechs say officially that they do not have to give reasons why Mr. Vulterin was dismissed. Radio Free Europe began broadcasting to Iraq ou Oct. 31 as part of U.S. efforts to undermine the regime of Saddam Hussein.

The Iraqi diplomat was reportedly working for MI-6, feeding information about Iraqi arms purchases in Eastern Europe, local press reports said, and had no intention of carrying out plans to attack the radio atation.

But the British were upset with the Czechs' role in handling the Iraqi, according to press reports here, and that led to Mr. Vulterin's firing and the

subsequent leaks.
Foreign Minister Jan Kavan said he was 'appalled' that the scandal had broken 'one day after I received an official letter from NATO Secretary-General Javier Solana inviting the Czech Republic to NATO." He said that the scandal might create

reliable ally.

One Western diplomat said that leaking the British agent's name alone did not mean that NATO members thought the Czechs were prone to leaking secrets. "It's dangerous to make sweeping generalizations about Czech intelligence services

from one statement," he said. But not everyone agreed. "Information has often been leaked since 1992, and this was not only done by the Communists," said Jan Klas, chairman of the parliamentary committee over-seeing the intelligence services. "Information was also leaked by people who were not Com-munist deputies." The Czech Communist Party has about 20 seats in the current Parliament.

The Communist leader, Miroslav Grebenicek, has said that he his party wants to use classified information from parliamentary meetings to "dis-

mantle" NATO. The disclosure endangers the Czech Repub-

lic's foreign policy and security," said Senator Michal Zantovsky, a former ambassador to the United States.

lapses that has already raised eyebrows. About two years ago, a senior Czech intel-

In fact, the Czechs have a history of security

Prague pub where he had been drinking. Czech officials never managed to recover the computer.

Mr. Kavan, the foreign minister, told journalists

ligence official left a laptop computer containing

the names of dozens of Czech overseas agents in a

in December that an "Arab terrorist" was acrively preparing to attack Radio Free Europe. Mr. Kavan was roundly condemned for handing out what appeared to be secret information.

Two years ago, U.S. and other NATO country officials complained to Prague about the slow pace of security checks on officials who would be handling classified information once the Czech Republic joined NATO.

Radio Free Europe officials said they had not been informed that any attacks had been planned against the station, and Czech press reports say that the Iraqi diplomat allegedly involved in the Vulterin affair, Jabir Salim, left Prague in December with his wife, children and 150 suiteases.

Radio Free Europe hroadcast to Communistcontrolled Czechoslovakia for more than three decades, but when it began broadcasting to Iraq from its new home in Prague, Czech leaders said they feared Iraqi retribution, warned that they would monitor the broadcasts and said they might try to block the new Radio Free Iraq service.

### ARAFAT: Palestinian Leader's Wife Plays a Key Role, and Not From Behind the Scenes

#### Continued from Page 1

stinian people.
"Every beautiful flower ends up sur-

rounded hy weeds," she said. "I'm fed up with criticizing them. It doesn't do Nonetheless, during a long afternoon in the living room of their home, Mrs. ation for much of his work — and continues to do so — he has repeatedly been denied a visa since "The Stataic Verses" was published in 1988.

"It's been a long afternoon in the living room of their home, Mrs. Arafat — surrounded by images of Jesus, Pope John Paul II and a young Mr. Arafat with lantern and gun — was scathingly critical of many key ventures."

Nonetheless, during a long afternoon in the living room of their home, Mrs. Arafat — surrounded by images of Jesus, Pope John Paul II and a young Mr. Arafat with lantern and gun — was scathingly critical of many key ventures. any good. History will be their judge."

Verses" was published in 1988. scathingly critical of many key ventures "It's been a long struggle," Mr. Rushdie said Thursday in an interview. scathingly critical of many key ventures of the Palestinian Authority. She dismissed the new Yasser Arafat. longest gap in my life.

"It feels like another step back into referring to the airport outside Tel Aviv. She ridiculed the thriving Palestinianreferring to the airport outside Tel Aviv.

"I hate it," she said. "It's the most shameful act that the economic coun-This "step back into the light" fol- selors of the Palestinian Authority did. September, when Iran's foreign min- less. We have oo hospitals, no sewage, ister. Kamal Kharazzi, distanced his sick children, a whole sick society. But,

Ruhollah Khomeini in 1989. The Iranian brokered peace agreement signed by her revolutionary leader, who died later that busband and Prime Minister Benjamin

She did not attend the signing cer-Since Mr. Kharrazi's statement, other emony in Washington, and since the

out it was only a photo opportunity." For years after they were secretly marvision with advisers she believes are ried in Tunis almost a decade ago, Mrs. dragging down Mr. Arafat and the Pal- Arafat was dismissed as a "decoration" for the longtime bachelor, particularly by the inner circle of the Palestine Liberation Organization, who could not bear the sight of their fearless leader

making goo-goo eyes.

rumors that Mrs. Arafat took advantage in the camps when she refused on prinof her role by making business deals. As she did this past autumn, Mrs. Arafat often spends months at a time cross Israeli roadblocks without the abroad, usually in Paris, where her par-

ents keep an apartment.
That has fueled other rumors, that she was away on shopping sprees, but she said she spent most of her time there raising money for her relief organizations. In her Gaza lifestyle, there is no obvious bounty of any mad spending.

Compared with the villas of some Palestinian officials and businessmen,

The president is doing a lot. Sometimes he screams at

me when he comes home. Can you imagine today you cost me \$100,000, Suha? But he is very kind this way."

berself as a leader in her own right.

'She is like a big mother for the people," said Randa Bamia, the direction of the floor's two rooms with the Palestinian

tor-general for international relations at leader's security entourage.
the Palestinian Tourism Ministry. "She
When she finally unveiled the tasteful feels a lot for their miseries, and she's very popular because of it. At first they fat told her it looked like a cabaret and wanted to make her out to be frivolous, but really she lives much more modestly than the wife of almost any minister in her husband's government. In "Arafat, From Defender to Dic-

But by speaking ber mind and by the simple house rented by the Arafats is establishing humanitarian institutions in humarum and middle-class. Mrs. Arafat Gaza, Mrs. Arafat has carned a place for said she had to beg ber husband to add

> but hardly lavish second floor, Mr. Arareturned to his monk's quarters downstairs, she said. When Mrs. Arafat is in town, she visits Gaza's refugee camps regularly,

> soaking up their tales of hardship and also their complaints about her hus-

ciple to accept a VIP pass from the Israelis that would have allowed her to hassle that most Palestinians face.

Mrs. Arafat keeps a small office at one of her relief organizations, a foundation for physically disabled children. The center is a bright and modern place, filled with the latest developmental toys, and Mrs. Arafat seems to have a personal relationship with the children.

They stroke her hair, and she hands out chocolates and quizzes the teachers about their progress. Presented with a problem by her staff, she wonders aloud if she can find a donor to solve it, remarking that a French delegation will be

talk politics but not bumanitarian things.

But people are fed op with politics."

"The president is doing a lot," she continued, referring to ber husband. Sometimes he screams at me when he comes home. 'Can you imagine today you cost me \$100,000, Suha?' But he is very kind this way."

4, the date that the Osio peace accord set for the conclusion of a final agreement between Israel and the Palestinians.

"I think, as Suha and not as the wife of Arafat, that this date is sacred," abe said, flying back to Amman with the king. declared that the fatwa cannot be rescinded. Indeed, hard-line groups have added bounties on the author's head that now exceed \$3 million.

The fat and elsewhere have agreement's number has occultored in Arafat, From December to Discontinuous intervence also their complaints about her huscally also their complaints are with a state of many also their complaints are with a state of many also their compla "and nobody in the world has the right to make us bargain it away. We can't go on

### **HUSSEIN:** Heading for Home

Continued from Page 1

known to have been assured by Crown Prince Abdullah and his aides that Jordanian foreign policy under a new regime would continue essentially unchanged, with a continuing commitment to the peace process with Israel and eventual statehood for the Palestinians in the Gaza Strip and formerly Jordanian West Bank.

#### Liver and Kidney Failure

A medical source said King Hussein's liver and kidney have stopped working. Agence France-Presse reported Thursvisiting.

"Some people in the Authority are not very helpful," she said. "They want to organ was removed after a previous can-

The monarch decided to return home following the failure of the bone marrow transplant carried out on Tuesday, according to a senior Jordanian official. The cells were taken in December from his younger brother, Mohammed, and aister, Basma

Sipping black coffee spiced with cardamom, Mrs. Arafat spoke of intense pressures on her husband to put off the declaration of a Palestinian state on May said, without specifying what treatment in the country," an official he would receive. A Jordanian diplomat in Washington

said by telephone that Queen Noor and other members of the royal family were Jordanians - 80 percent of whom have known no other monarch - were shocked at the news.

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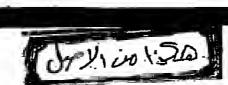
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FRIDAY, FEBRUARY 5, 1999

# Top Suspect in Cairo Foros Anti-U.S. Action

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council Manday in norther Conference of Proceedings military high countil wardiet cannot be appealed stety-three of the men are being the state. Of the 44 present in many Mr. Naggar, all pleaded to

### Plot to Attack Jew Laid to 40 in Gazo

The Palestinian polices that they had rounded that they had by \$35 nullion from his that had been plotting attacks on Jewish that they had seazed arms and the collected by the 40 members also had seazed arms, the undergond that they wing of Harnas, for sabout the same of the same two weeks.

we have documents that they have received \$35 million to carry in programing are true. operations against Israels a aded that the money had come for scified parties in Iran.

Although the Palesiman area Street activists has been sought by in a part of its peace deals unter the following the following the following appeared to the following the followi

#### Suddam and Aides Review Air Defenses

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to confirm U.S. and Brashas,
the Iraqi News Agency repo

in the week. Mr Saouange to pay 25 million dinars \$14.00 defense troops who sho dog directed incinet

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### NATO

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### USSEIN:

ading for Home Continued from Page 1

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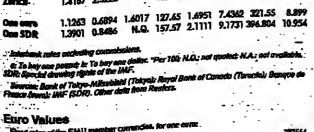
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Stephen and other themps

at the new



European Cross Rates 

VW Plans to Add **Big Truck Models** 

FRANKFURT - Volkswagen AG said Thursday it planced to add large and medium-sized trucks to its product range through cooperation with another company or an acquisition.

Volkswagen's chief exec-ntive, Fertinand Piech, said Europe's biggest carmaker plained to begin offering trucks larger than 7.5 tons, according to prepared remarks to be delivered in Vienna.

'For the time being, we will expand our truck production ourselves until a suitable possibility arises" for an acquisition or cooperation, he said.

### Malaysia Eases Fund Flows

### New Measures Aim to Rekindle Foreign Investment

By Thomas Fuller International Herald Tribune

KUALA LUMPUR - Malaysia said Thursday it would ease the tough controls it imposed last September on eurrency flows, edging its way back into the global financial markets in a bid to encourage the return of

While leaving in place the main components of its capital controls, Malaysia altered a key part by introducing an "exit tax" aimed at discouraging short-term investment and money flows. The new tax replaces the temporary rule introduced last September that had banned foreigners from repatriating their money for 12 months and that had trapped about \$3 billion of foreign equity investment in the country. in the country.

The measure makes Malaysia the first East Asian country to introduce such a tax on foreign investment. Remaining in place are a freeze in the value of the ringgit against the dollar, a ban on trading of the Malaysian currency abroad and limits on how much foreign

currency Malaysians can take abroad.

The move announced Thursday, which was made in consultation with two major Wall Street investment banks, is an effort to woo back "serious long-term investors," in the words of Prime Minister Mahathir bin Moday with a mass wedding in which 40,000 couples hamad, and to avoid the type of market volwill exchange vows in Seoul's Olympie Stadium in atility seen during the early months of the a ceremony broadcast worldwide by cable. As in current economic crisis. previous mass weddings, Mr. Moon himself has personally selected many of the marriage partners

Analysts generally applanded the an-concernent, but some voiced concern that the government was taxing only foreigners. It smacks to some degree of discrimination

because it applies only to foreigners," said Mohammed Ariff, executive director of the Malaysian Institute of Economic Research. "If the idea is to penalize short-term portfolio investors because it creates volatility, then you must target short-term capital regardless of ownership - local or foreign."

pay. During an appearance in Pusan, South Korea's These new measures are aimed to enlargest port city, workers from Tong Il Oil Heavy courage existing portfolio investors to take a longer-term view of their investments in Mr. Moon did not talk directly to the workers, Malaysia," Finance Minister Daim Zainuddin said in a statement. The moves, he added. leaving negotiations to his lieutenants. The rewould also help "attract new funds into the country, while at the same time discourage "They want to get money from the company," destabilizing short-term flows." said Ahn Ho Yeol, vice president in charge of the

The government was relatively terse in Korean branch of its Youth Federation for World explaining the measures, and foreign report-Peace. "We cannot make money. They did not ers were excluded from the press conference where Mr. Daim elaborated oo the plan.

Mr. Moon opened his remarks Thursday night The purpose of the new measures is twoby calling for "the realization of a culture of love, fold: to ensure that foreign money that had been trapped in the country since September Pak Bo Hee, who co-founded The Washington was not taken out all at once, and to encourage Times with Mr. Moon, goes to North Korea on new foreign investors to keep their money in Monday to negotiate the rights to open a tourist the country for at least a year. service to the North and to join the celebration of

To regulate the outflow of foreign money, the government imposed graduated levies on that money, with the rate declining the longer Tong Il Heavy Industries, meanwhile, survives the money stays in the country. For new

foreign investment, a simple formula will apply: Profit taken out of the country less than a year after initial investment will be taxed at 30 percent, and profits repatriated thereafter

will be taxed at 10 percent. Attracting new foreign money is a key concern for Malaysia, which after imposing the capital controls found itself removed from a widely consulted benchmark index of world stock markets published by Morgan Stanley Capital International.

That move, analysts said, led many foreign investors to shy away from the stock market, cruting off a key source of funding for cash-strapped Malaysian companies.

'We think there could be some out foreign

buying when Malaysia makes it back to the index," said Yeoh Keat Seno, head of m index," said Yeoh Kear Seng, head of re-search at Merrill Lynch in Kuala Lumpur, "A lot of Malaysian companies need to recapitalize," Mr. Yeoh added, "And this may help these companies tap foreign money."

Malaysia's capital controls cut to the heart of a debate on what caused the massive out-

flow of money from Southeast Asian economies at the start of the region's economic crisis 18 months ago.

Mr. Mahathir and other officials contend that the primary cause of the dramatic drops in currencies and stock markets was trading by unregulated hedge funds and currency speculators. By slowing down the flow of capital, Malaysia believes it can avoid or lessen future shocks to its financial system.

Officials in Washington, however, blame the crisis on lax banking supervision and generally poor economic management. Stemming or slowing the flow of investment is not the answer, these officials say.

Although Malaysia's moves appear to run

counter to Washington's vision of unfettered capital flows, two Wall Street investment banks - Salomon Smith Barney and Gold-man, Sachs - were instrumental in formulating the policy. The two firms competed to provide a plan acceptable to policymakers,

according to a government adviser.

Salomon, the Malaysian government's official financial adviser, is said to have favored the exit tax. Goldman, according to the adviser, argued for a system of "most favored investors." which would have allowed investors judged to have more long-term interests in the country more freedom to move money in and out.

The government adopted Salomon's proposal after the firm arranged for meetings between fund managers and Mr. Mahathir. Government officials also met informally with officials from the World Bank and International Monetary Fund at the Genting Highlands resort outside of Kuala Lumpur several weeks ago.

'It was a matter of getting more views as seeing whether there was anything we had overlooked," said a government representative who attended the Genting meetings.

# Percentage change in shares of Tong II Heavy Industries vs. the main Korean market index. January 1998=100

The Reverend Sun Moon and his wife officiating at a mass wedding ceremony at Madison Square Garden in 1998. The ceremony this year, in Seoul, is scheduled for Sunday and will have 40,000 couples.

By Don Kirk

International Herald Tribune

SEOUL — The Reverend Sun Myung Moon, leader of the Unification Church, opened a "world culture and sports festival" Thursday night asking participants: "What happens to us when we die?"

His temporal business empire in South Korea.

meanwhile, was asking: How do we repay debts approaching \$2 billion?

conglomerate whose name means "unification,"

as Mr. Moon toured South Korea over the past week drumming up support for his church and his

agement," said Huh Man Jo, who is monitoring the restructuring efforts of Korea's chaebol, or con-

glomerates, for the government's newly formed financial supervisory service. "They relied too much on church donations. It was a kind of moral

Mr. Huh said the debts of the group's 16 companies exceed 2 trillion won (\$1.7 billion).

Its four leading companies, which manufacture products ranging from ginseng tea to tank guns,

were all bankrupt awaiting reorganization under

Mr. Moon appeared oblivious to his earthly problems Thursday night. Alexander Haig, a former secretary of state and White House chief of

staff during Richard Nixon's presidency, intro-duced him as "a leading force for inter-religious dialogue and understanding between peoples of all

The closest Mr. Moon came to mentioning the companies that he founded in the 1960s as the basis

The spirit world that people enter after death

transcends time and space, Mr. Moon said, speaking in Korean after a six-course banquet. Inter-

preters translated into seven languages for an audi-

By Reginald Dale

ASHINGTON

When the Old Testa-

ment preacher pro-claimed that "there is

International Herald Tribune

no new thing under the sun," he

may not have known about cloning or the Internet. But his words should

not be taken too literally: It is not

new things that are rare, but new

Nowhere is that more true than in

the realm of international econom-

ics, particularly in this era of unusual global consensus. With the ideological struggle of the Cold War over and virtually every country

broadly embracing capitalist prin-

ciples, there is less scope for sweep-ing disagreements. The extremes

The fallout from the Asian fi-

nencial crisis is narrowing the gap

still further. The Asia that emerge

from the crisis will in many ways look more like the West, with

sounder and bester-supervised banking systems, less political interfer-

ence in business and internationally

accepted standards of corporate

In Western Europe, nominally

center-left parties are usurping free-

market policies that used to belong

to the center-right, while in the

Cross Rates

Euro Values

transparency and accountability.

have come closer together.

Thinking Ahead /Commentary

court supervision, he said.

backgrounds."

Weakness emerged within the Tong II group, a

"The Tong II companies suffer from bad man-

### Reverend Moon Rises Above Ailing Businesses ence that included former Third World heads of state and ambassadors. "There are no factories there to produce food," Mr. Moon said. "There are

no automobile factories. There is nothing like In the real world, the Tong II group's flagship Tong II Heavy Industries Co., founded in 1962, has suffered the most of any of the companies in the

The factory, which produces motor vehicle transmissions, has had to lay off 40 percent of its

The Tong Il companies suffer from bad management. They relied too much on church donations. It was a kind of moral bazard,' said Huh Man Jo, who is monitoring the restructuring efforts of Korea's chaebol, or conglomerates, for the government.

2,000 workers as a result of sagging car sales in South Korea, said Seo Pyong Kyu, a manager in the group's financial planning department.
"There is a cash flow deficit," Mr. Seo said.

"Production is very low." Chirch donations, a traditional source of funding in hard times, "bave belped but are very much

for his worldwide ministry was when he told a rapt audience that "Earth is but a speck of dust."

Debate, but Little Disagreement, on Capitalism

has stolen much of the Republicans'

economie clothing. Conservative

parties are wondering how to re-

out in this relatively bland climate is

to exaggerate the extremism of your

instance, like to create the impres-

sion that there is still a large body of

more rabid opinion to their right, so

The extremes have

come closer together.

One way to make your

ideas stand out in this

is to exaggerate the

extremism of your

opponents.

relatively bland climate

as to reassure old-time supporters

that they have not moved too far from their traditional roots.

Dominique Stranss-Kahn, the So-cialist finance minister of France,

recently outlined some fairly main-

stream ideas on international mon-

ctary reform and claimed that they

had at first been denounced as

opponents. Center-left parties, for

One way to make your ideas stand

capture the center.

United States, President Bill Clinton heretical by 'free-market funda-has stolen much of the Republicans' mentalists.'

Others with reservations about

economic globalization continue to

lambaste its advocates as ideolog-ical devotees of "untrammeled free

markets." But the truth is that very

few people on the right have ever

adopted such extreme positions, and

many of the "fundamentalists"

have actually softened their views.

Even in the United States, most

free-market enthusiasts increasingly accept the need to look after

victims of globalization and con-cede that different countries can de-

velop their own valid models of

capitalism.
Of course, there are still extremists on both sides. Important divi-

sions remain on explosive issues

such as how far rules on working

conditions should be built into the

world trading system and the dis-

tinction between 'free' and 'fair'

But by and large, the differences are over how to achieve democratic,

free-market goals, not over their de-sirability. The disagreements con-

cern not ends, but means - how

much regulation is necessary,

whether floating or fixed exchange

rates are better and whether there is a

case for capital controls in certain

In a book just published by the

limited," said Mr. Seo. "Maybe we can expect the Reverend Moon to help, but it is not certain."

Mr. Moon, who maintains a headquarters in three-day series of seminars sponsored by the going on."

on military contracts that it first obtained during the New York but has been spending much of his time on a vast farm project in Brazil, focused throughout ruled South Korea for 18 years until his assashis speaking tour of South Korea on the theme of smatter in 1979. "We make rifles and cannon for

Overseas Development Council in Washington, "The New Global Economy and Developing Coun-tries: Making Openness Work," Dani Rodrik tries to stir things up by

taking a swipe at economie ortho-

ic establishment of blindly believing

that openness to trade and invest-

ment guarantees growth, and failing

to understand that developing coun-

tries must also build institutions, es-

pecially ones that can resolve social

But he is aiming at a moving target. Michel Camdessus, man-aging director of the International Monetary Fund and a pillar of the

establishment, now says much the

All this is good. It shows that

cople are learning from events.

Many on the right are conceding that

markets are not perfect, many on the

left that governments are not in-

There remains a nagging feeling

that this materialistic world is not

100 percent sure where it is going.

But the absence of visionary new

ideas is not necessarily bad, given

the nature of some, such as com-

munism and fascism, that have only

E-mail address:

Thinkahead@iht.com

recently been laid to rest.

conflicts.

He accuses the Western econom-

the 57th birthday of the North Korean leader Kim

church. The festival is scheduled to wind up Sun-

flying in from throughout the world, from sub-

Periodically, however, the realities of South

At stops on the way, workers who had lost their

jobs staged demonstrations accusing Mr. Moon's

lieutenants of illegally dismissing them without

sponse from management was not sympathetic.

Korea's economic crisis intruded upon his national

mitted photographs and brief biographies.

Industries briefly threatened violence.

work. We did not offer them money."

a global culture of heart."

Jong Il on Feb. 16.

### his speaking tour of South Korea on the theme of 'family ethics and world peace," the topic of a tanks," said a company official. "The contract is make the contract is the topic of tanks," said a company official. "The contract is the con talks sent markets lower Thursday. The benchmark Bovespa stock index fell a slight 23.09 points to 8,652.94. The real fell, with

RIO DE JANEIRO - The International Monetary Fund is not planning to accelerate the next installment of an aid package for Brazil, a spokesman said Thursday, adding that the money would probably be paid at the end of the month as planned.

There are no plans yet to speed things up," said Francisco Baker, the IMF's Latin America spokesman. "Everything is scheduled to run as normal."

Brazilian stocks and the currency railied this week on speculation the IMF may speed up the next installment from a \$41.5 billion aid package arranged by the IMF. Brazil is expected to receive \$9 billioo at the end of this month, on top of \$9.3 billion in December.

The IMF's No. 2 official, Stanley Fischer, was to leave the capital, Brasilia, late Thursday after negotiations with the Brazilian government. But members of his team will stay and continue talks into next week.

A local newspaper report said the two sides disagreed on what measures to take to ease Brazil's growing budget deficit. The gov-ernment is balking at IMF demands for more spending cuts and tax increases, the news-

paper Gazeta Mercantil reported.

T'm quite sure the Fund is demanding a larger fiscal adjustment," said Carlos Eduardo de Freitas, an economist at Fundação

Gemlio Vargas and former central bank director. "Brazil has always been reluctant to do fiscal adjustments." The apparent lack of progress in the IMF

the dollar rising to 1.80 reals from 1.76 reals Wednesday. In exchange for accelerated aid, Brazil may have to propose oew steps to cut its budget deficit of 73 billion reals (\$41.48 billioo). It may also announce new mechanisms to

steady the real, since reserves have dwindled to \$36 billion — including the first \$9.3 billion from the IMF package - from \$75 billion in August. While Brazil needs interest rates to come

down to reduce the cost of servicing 340 billion reals in debt, IMF officials insist on keeping interest rates high to keep prices under control and steady the currency. The World Bank said Thursday it would

consider speeding up the transfer of the next parcel of a \$4.5 billioo loan agreed to last year. So far, the government has not requested an early transfer of the next \$1 billion tranche of that loan, which is part of the IMF rescue (Bloomberg, AFP, Reuters)

■ Sao Paulo Economy Posts Decline Industrial activity in Sao Paulo, Brazil's most populous state and industrial hub, fell 1.9 percent in 1998 from the previous year,

the first decline in six years, according to the Sao Paulo Federation of Industries, Bloomberg News reported.

The number of people employed in Sao Paulo's industries also fell 5.1 percent.

CIBC PRIVATE BANKING IN SWITZERLAND

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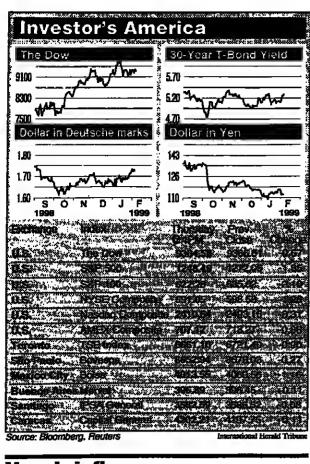
CANADIAN IMPERIAL BANK OF COMMERCE (SWITZERLAND) LTD Geneva +41 22 839 68 00 - Zurich +41 1 215 60 70

### **CURRENCY RATES**

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121500 25.46 5259 52765 1220 0.6921,711.42 1,941 177.225 10.98 13346 52550 2.005 1,51.67 2,0076 1,1-64 2,007.22 2,1773 250,57 247.00 120 1,172 27.52 19.57 65.67 142.47 4.67 54.07 0.44 1,942

The state of the s



#### **Very briefly:**

• AirTouch Communications Inc., the U.S. wireless phone company set to be acquired by Vodafone Group PLC of Britain, reported a 34 percent increase, to \$130 million, in fourth-quarter profit, driven by strong subscriber growth. • St. Laurent Paperboard Inc. of Canada said its fourthquarter loss widened to 10.6 million Canadian dollars (\$7 million) from 5 million dollars a year earlier because of lower prices for its packaging products and losses on foreign-ex-

• Grupo Imsa SA of Mexico paid \$105 million for the galvanized and painted-steel units of Altos Hornos de Mexico SA, bolstering Imsa's ability to sell steel to a booming Mexican automotive industry.

• TeleBanc Financial Corp., which runs TeleBank, the largest U.S. branchless bank, plans to refund other banks' automated teller machine fees to customers who sign op through its advertising campaign with Yahon! Inc.

 National Discount Brokers Group, an on-line brokerage firm, signed a partnership to become the featured trading service on Crosswalk.com, a Christian Weh community run Bloomberg, Reuters

#### Sales Jump at U.S. Retailers

The Associated Press

NEW YORK - January proved to be a better-than-ex- decline of the euro a "matter of ment rises. In addition, inflation is rate; 20 basis points is one-fifth of a pected month for U.S. retailers, who saw big sales gains as Americans bought up discounted merchandise.

puzzlement" but indicated that it running at a rate of little more than 1 would not affect policy. "It is not a percent, and a variety of factors,

The Merrill Lynch retail index, the investment firm's barometer of sales performance at department stores and discount chains, was up 6.4 percent in January, compared with a year earlier. It rose 3.4 percent in December.

The strong sales, reported Thursday, pleased merchants who rates was imminent. He said the had expected that consumers would scale back spending.

European economy presented a

### Technology Stocks Lead the Market Lower

NEW YORK - U.S. stocks fell Thursday as new signs of economic strength increased speculation that the Federal Reserve Board may at 68%. The company announced it raise interest rates to head off in-would develop new flat-panel disflation, threatening profits.

Intel Corp. led a decline in com-Puter-related shares after an unfavorable analyst report, offsetting gains in Phelps Dodge and other

#### U.S. STOCKS

companies that do best in a growing

economy.
The Dow Jones industrial average closed 62.31 points lower at 9,304.50, while the broader Standard & Poor's 500-stock index sank 23.58 points to close at 1,248.49. The Nasdag composite was 82.87 points lower at 2,410.54.

On the New York Stock Exchange, declining issues outnumbered advancing ones by nearly a 2-to-1 ratio. The Dow would have falleo fur-

ther but for the strength of eco-nomically sensitive stocks, such as put pressure on U.S. stock and bond Minnesota Mining & Manufactur-ing, which rose 1% to close at 76½, and International Paper, which rose 21/2 to close at 44 3/16.

There is growing sponsorship behind the cyclical stocks and economically sensitive stocks, as tor of market analysis at A.G. Ed-

wards & Sons Inc. The Dow was also lifted by Eastman Kodak, which rose 21/2 to close

play technology with Sanyo Electric Co. of Japan.

But the broader market was weaker, as investors pounded technology shares lower.

Intel dropped 8 9/16 to 1301/a after a Merrill Lynch & Co. analyst, Thomas Kurlak, lowered his 1999 earnings estimate for the chipmaker,

105 14. Microsoft lost 71/4 to 159 down. 1/16, and Dell Computer fell 51/2 to

"These stocks had a big run-up, and now there is damage right across the board," said Edmund Cowart, a money manager with Copper producers' stocks gained.

Banc One Investment Advisors Phelps Dodge rose 4½ to 47½. Corp. in Columbus, Ohio.

saying Intel's Celeron 400 mega-hertz chip was selling for \$90, down meeting Wednesday, "the concern 5.26 percent (Bloomberg, AP)

#### from a list price of \$158. He kept his is the future," said Howard Kornaccumulate" rating on the stock blue, a money manager for Pilgrim Telecommunications equipment, America Capital Corp. "We could software and computer companies have a rate increase if the Fed thinks declined. Cisco Systems alid 514 declined. Cisco Systems slid 51/4 to the economy needs to be cooled

Stocks that do best in a growing economy rallied. The Morgan Stan-ley Cyclical Index gained 1.8 percent, while its consumer index rose 0.1 percent.

The benchmark 30-year Treasury While the U.S. central bank left bond fell 15/32 to 99 10/32, pushing

### Fears of U.S. Rate Rise Undermine Dollar

NEW YORK - The dollar declined against the yen and euro Thursday on speculation that economic growth was accelerating enough to prompt the Federal Re-serve Board to raise U.S. interest

markets. "The dollar's losses are just francs from 1.4173 francs. snowballing with equity and bond markets getting hit," said Alex Ig-narra, a trader at Generale Bank. "Once the emotion is out of way and the dust settles, people will go back

### FOREIGN EXCHANGE

The pound rose to \$1.6450 from \$1.6358.

Traders said the dollar's loss was also driven hy unsubstantiated speculation that Japanese officials en-

That repatriation, along with a surge in yields for Japanese govyen on Wednesday.

The dollar also slipped against the euro, which rose to \$1.1335 from erment bonds, helped lift the yen 5 percent this week.

This is a Japanese yield story and \$1.1295, even though the European Central Bank decided to leave interest rates unchanged.

The delier fell of 14140 Spice.

The dollar fell to 1.4140 Swiss new evidence shows it may be growing too fast to suit the Fed. First-time unemployment claims fell by 9,000 to 292,000 in the week to Jan. 30, while analysts had predicted an increase to 311,000. Along with an 8 percent increase in sales at people gain confidence that the economy is going to remain postitive," said Alfred Goldman, directive, said Alfred Goldman, directive, and a said and percent increase in sales at couraged companies to repatriate couraged companies to repatriate couraged companies to repatriate more cash before their financial year showed the U.S. economy extending its eight-year expansion.

### RATES: Bank of England Moves to Head Off Slowdown With a Half-Point Cut

Continued from Page 1

'It's clear that's what the economy needed," David Hillier, an economist at Barclays Capital, said of the British rate cut.

tral Bank would lower the key short- consumer confidence in the EU rose term interest rate for the euro zone in December to its highest level by a quarter point, to 2.75 percent, since the survey was started several

by April.
"The ECB is going to have to cut sooner rather than later," he said.
In Frankfurt, Wim Duisenberg,

the president of the bank, called the slowdown, especially if unemploymatter of concern," he said after the from the global economic slump to council meeting.

Mr. Duisenberg also gave oo indication that any move in interest rate even lower. European economy presented a inflation is going to come from,"

Thursday, Feb. 4

SUGARWORLD 11 (MCSE) 112,000 Bs. cards per b. Mor 99 6.89 6.65 6 Mor 99 6.72 6.54 6 Jul 99 6.54 6.50 6 Oct 99 7.01 6.85 6

High Low Latest Chae Coint

mixed picture, with weakness in in-dustrial production and business economist at ING Barings. "That inflatioo report next week, and the confidence offset by strong con- gives the ECB a lot of leeway to cut rate cut suggested that the report sumer confidence and retail spend-

Figures released Thursday under- by midyear. "We are in a low-inflation en-vironment. The economy's slowing fell 0.1 percent in December in Germany, the fifth straight monthly de-Like many economists, Mr. Hil-lier forecast that the European Cen-

years ago. Still, many analysts predict that the central bank will lower rates to counter the threat of a more serious the impact of the euro on price transparency in Europe, should drive the

15,000 lbs.- curits per lb.

Mar 99 | 104.50 | 102.55 | 104.45 | +1.05 | 15.856 |
Mary 99 | 104.50 | 107.51 | 102.25 | -0.70 | 6.397 |
Jul 99 | 102.05 | 101.50 | 101.50 | -1.40 | 2.061 |
Sep 99 | 107.30 | 107.50 | 101.50 | -1.65 |
Best, teclos 2,600 Wharfs poles 2,652 |
Wharts come led 27 185 | no 27.185 |

Analysts said the decline in the euro should help support the economy by bolstering a weak spot, manufacturing, through stronger export demand.

"Euro softness is actually what does more for business confidence in Germany and France than 20 basis points off the repo rate," said Alison Conrell, senior European economist at PaineWebber. The repo, or securities repurchase rate, is month. the benchmark European interest percentage point.

Monetary Policy Committee indicated the rate cut was justified because of weakness in the global economy and softness in domestic "It's rather difficult to find where price pressures and consumer de-

rates." He predicted that rates in the would show inflation slipping be-euro zone would fall to 2.5 percent low the bank's target rate of 2.5 percent

Recent economic data have been weak, with figures showing that gross domestic product grew by just 0.2 percent in the fourth quarter of 1998, its slowest rate since 1992.

On Wednesday, a survey of purchasing managers indicated that activity in the service sector declined for a third consecutive mooth in January, while another survey indicated that retail sales fell last

Still, the evidence pointed to a continuation of recent weakness rather than any fresh deterioration, In London, the Bank of England's and many analysts were surprised fonetary Policy Committee indi- when the central bank cut rates by a half point rather than making a more typical quarter-point reduction. There's a risk they've overdone

it," said Neil Parker, an economist at the Royal Bank of Scotland.

High Low Latest Chige Opini

3-MONTH SWISS FRANC (LIPPE)

Est. soles: 43,494. Prev. soles: 29.175 Prev. open int.: 199,104 up 2,577

# N.Y. Checks On-Line Complaints

Company to Our Staff From Deputation NEW YORK - The state's attorney general has begun an investigation of the on-line trading industry after receiving "dozens" of complaints in the past month from consumers about delays in processing stock trades and about crashes of World Wide Web sites.

'The public knows that there are always risks involved in investing in the stock market,"
Attorney General Eliot Spitzer
said. "But part of the risk
should oot include questions about whether trades will be executed promptly or whether on-line brokerage firms can deliver the services that they've promised."

The trading system for E\*Trade Group Inc., the No. 3 on-line brokerage, crashed Thursday morning for the third time in two days. Ameritrade Holding Corp., the No. 6 Web broker, spent \$2 million to add capacity in late 1998 after a series of outages.

Mouse-clicking investors

many of them buying and selling shares of Internet companies, have increased their on-line trades by an estimated two-thirds since October, to-more than 400,000 a day, analysts say. Brokerages have had trouble keeping up.
The New York State Law

Department will send letters to several on-line brokerages asking that they provide documents, reports and "other information regarding their ser-vices," Scott Brown, a department spokesman, said.

A software problem continued to plague E\*Trade on Thursday. Members who had signed on hoping to place trades were met with a message that read, "Access to some areas of your account may be temporarily unavailable.

Customers also were unable to make trades for more than 75 minutes during two separate outages Wednesday.

Brokers at the firm took telephone orders Thursday, but a swarm of jilted on-line traders iammed the lines, traders and analysts said. E\*Trade's shares fell \$1.75

to close at \$53.50. (Bloomberg, AP)

without downloading large

Victoria's Secret Show on Net

Compiled by Our Staff From Dispatches cast using "streaming video" The first Internet broadcast technology, which allows of the Victoria's Secret surfers to view live video

out to be a bust for some files. The quality of the video

Is So Popular That It Flops

Spring Fashion Show turned

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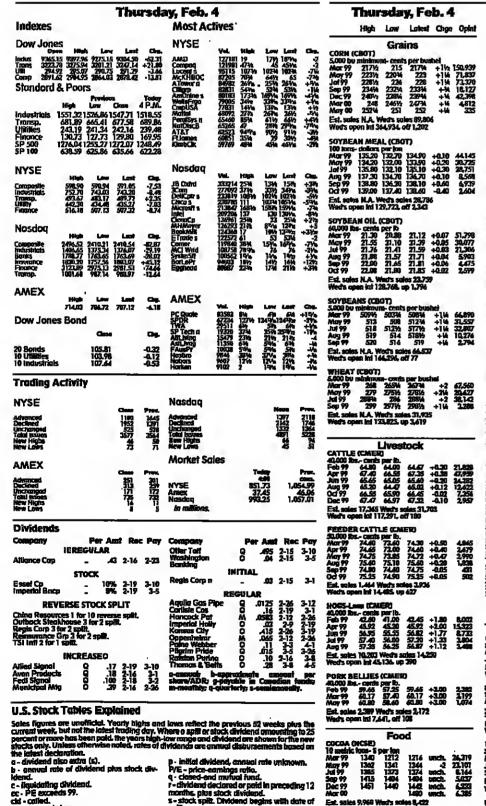
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#### U. S. STOCK MARKET DIARY

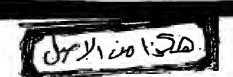


#### INTERNATIONAL FUTURES-High Low Lated Chae Opint High Low Latest Chge Optist

ITALIAN COVERNMENT BOND (LIFFE) ITL 200 million - pt. of 100 pct Mor 99 N.A. N.A. 114.03 — 0.60 45.116 Est. sedes: n.a. Prev. sedes: 13.813 Prev. open int.: 45.116 off 149

LIBOR 1-MONTH (CMER)

GOLD (MCAUX) 100 tray (zz. dollars per tray oz. Feb 97 271.00 287.80 270.20 +2.20 1,905 Mac 97 271.00 287.80 270.20 +2.20 1,905 Mac 97 271.00 287.80 271.20 +1.30 94.093 Jun 97 274.00 287.00 291.00 11.30 251.01 1.30 251.01 251.	Jun 99 9700 3575 9044-0.0037 4,940 Sep 99 9745 9753 9753-0.0040 1,494 Est, soles N.A. Wed's soles 18.067 Wed's open Int 77,497, off 425	SOURCEAN SOU	people after millions of fans jammed the site, causing major technical problems.  Many World Wide Weh surfers who had hoped to catch a glimpse of supermodels strutting around in racy lingerie were instead greeted with jagged video and audio problems.  "That says to me the technology in not up to snuff," said Wendy Hargle, a computer technician in Berkelsy, California, who tried to view the show. "Someone did not anticipate the level of interest."  The fashion show was held in New York and marked a milestone for the Internet: It was one of the first large-scale live video events in which a corporation had invested money and prestige. A television ad for the 14-minute event was shown during the U.S. football Super Bowl championship game Sunday, and ads were placed in newspapers. The show was Web-	٥
Copper Cathedes (High Grade) Spoil 1438.00 1439.00 1428.00 1429.00	125,000 francs, 8 per franc Mar 99 7105 7041 7097 tach. 54,463 Jun 99 7164 7112 7142 woch. 481 Sop 99 7224 unch. 320	Sep 99 42.20 41.45 41.45 -1.25 2.532 Est. soles N.A. Wed's soles 34.431 Wed's open int 104.928, off 619	INTEREST RATES	
Section   Sect	Est, solve N.A. Wech solve 12,978 Which spee hit 57,277, by 1,854  MEXICAN PESO (CAMER) 500,000 perior, 5 per perior May 97, 97660 ,97655 ,17647 + 00032 10,635 Jun 99 ,07112 ,07025 ,07112 + 00032 5461 Sep 99 ,07112 ,07025 ,07112 + 00032 5461 Sep 99 ,07112 ,07025 ,07112 + 00032 5461 Wech speen hit 16,842, off 741  3-MADNITH STERLING (LIPPE) \$500,000 - pix of 100 pct Marr 99 ,94,570 94,570 94,570 + 04,179 186,607 Jun 99 ,94,570 94,570 94,570 + 04,170 195,202 \$ep 99 ,95,000 94,570 94,570 + 04,001 145,057 Max 00 ,95,000 94,570 94,000 + 04,001 145,057 Max 00 ,95,000 94,570 95,000 + 0,001 10,007 \$ep 00 ,94,570 94,570 95,000 + 0,011 10,007 \$ep 00 ,94,570 94,570 95,000 + 0,011 10,007 \$ep 00 ,94,570 94,570 95,000 + 0,011 10,007 \$ep 00 ,94,570 94,570 95,000 Junch 45,275 \$ep 00 ,94,570 94,570 95,000 Junch 45,275	GASOIL OPE) U.S. doflars per metric ton - tots of 100 tons Feb 99 99.75 95.50 96.002.75 22.170 Mar 99 98.50 96.50 97.002.73 27.639 Api 99 99.50 96.00 98.002.55 15.251 May 99 101.50 100.25 100.592.50 9.215 Est. solve: 22.000 . Prev. sole: 177.786 Prev. open Int.: 129.007 off 20  BRESHT OIL (IPE) U.S. doflars per bornal - tots of 1,000 bentels Mar 99 10.92 10.56 10.570.22 48,186 Apr 99 10.92 10.56 10.570.25 28,205 July 99 11.25 11.05 10.440.35 29.201 July 99 11.25 11.05 11.060.35 29.205 July 99 11.25 11.35 11.140.25 10.946 Est. solice: 40.00 . Prev. solice: 52.5266 Prev. open Int.: 239,190 up 839	Thursday, Feb. 4  Government Debt  3-month 6-month 1-year 2-year 5-year 10-year Britain 5.17 — — AR21 4.225 4.245 France 2.46 2.88 2.84 3.025 3.27 3.904 Germany 3.01 2.93 — 2.93 3.28 3.807 hely 2.50 2.44 2.56 3.076 3.423 4.028 Jayran 0.29 0.305 — 0.605 1.44 2.27 Spain 2.95 2.95 2.90 3.00 3.469 4.023 United States 3-assath 1-year 2-year 5-year 10-year 30-year Yield 4.47 4.42 4.75 4.79 4.85 5.29 Price 4.37 4.41 99-16 97-22 98-31 99-10  Source: Bloombarg.	•
Est. soles N.A. Wed's soles 105 Wed's open int 2,274, up 52 8 YR TREASURY (CROT) \$100,000 prin-yis & 6,680s of 160 pcl Akrry 9 112-08 112-00 112-11 - 22 243,318 Jun 99 113-08 113-02 113-02 - 24 4,944 \$58p 97 Est. soles N.A. Wed's soles 62,312 Wed's open int 364,364, of 2,462 16-YR TREASURY (CROT) \$100,000 prin- pis & 22nds of 100 pcl Akrry 9 118-08 116-28 117-09 - 21 19,598 109,900 prin- pis & 22nds of 100 pcl Akrry 118-08 116-28 117-09 - 21 19,598 50p 99 12-72 117-09 117-09 - 21 19,598 50p 99 12-72 117-09 117-09 - 21 19,598 100,000 prin- pis & 22nds of 100 pcl Akrry 118-08 118-28 117-09 - 21 19,598 100,000 pcl 2, 32nds of 100 pcl Akrry 118-08 118-118-118-118-118-118-118-118-118-11	Est. soles: 328,730. Prev. soles: 161,454 Prev. copen inti: 1,154,767 off 1,113 3-44004714 EURIBOR (GJFFE) suro 1 million - pis of 100 pct Mar 99 95,906 93,906 94,900 +4,010 95,352 Jon 99 97,970 98,040 99,975 -0,005 94,354 Sep 99 77,135 77,055 97,975 -0,005 94,354 Alar 00 97,985 97,985 97,985 -0,005 31,399 Doc 19 94,989 94,895 -0,085 27,241 Sup 00 94,940 94,959 -0,055 12,112 Alar 01 94,959 94,059 94,950 -0,055 Est. soles: 29,424 Prev. soles: 13,210 Prev. open inti: 457,806 up 18,391 3-440671H EURIBOR (JAATIF) sup 97,009 79,04 97,07 40,00 27,853 Jun 99 97,009 79,04 97,07 40,00 15,232 Dac 199 94,52 94,86 94,96 -0,001 12,254 Sup 99 97,71 97,09 97,11 -0,00 15,232 Dac 199 94,52 94,86 94,96 -0,003 5,986 Est. soles: 27,449 Open int. 91,220 off 5,472 3-440671H EURIBOR (LIFFE) stra 1 million - pis of 100 pct floor 99 94,930 94,940 94,950 -4,001 12,254 Sup 99 97,120 97,945 97,975 -0,005 113,749 Sup 99 97,120 97,945 97,975 -0,005 113,749 Sup 99 97,120 97,945 97,975 -0,005 113,749 Sup 99 97,120 97,949 97,115 -0,010 114,646 Sup 99 97,120 97,949 97,115 -0,010 114,646 Sup 99 97,120 97,949 97,115 -0,006 113,749 Sup 99 97,120 97,949 97,115 -0,006 113,749 Sup 99 97,120 97,949 97,115 -0,006 113,464 Sup 99 97,120 97,949 97,115 -0,006 113,464 Sup 99 97,120 97,949 97,115 -0,010 114,646 Sup 99 97,120 97,949 97,115 -0,006 113,464	SLOCK INCIDENCES  SP COMP INDEX CAMERO 250 x Index Mar 99 1285.301251.001255.50 -21.00 391.408 Jun 99 1285.301251.001255.50 -22.00 E.414 Sop 99 1280.001250.001260.00 1280.00 2.400 Est. soles N.A. Wed's soles 103.617 Wed's open ind 405.009, off sm FTISE 100 (LIFFIE) 223 per index point Mar 99 4058.0 5918.0 5958.0 +15.0 143.545 Jun 99 4078.0 2065.0 5989.0 +12.0 17.163 Sop 99 N.T. N.T. 6033.0 +14.0 1,700 Est. soles: 30,009, Prev. soles: 25,606 Prev. open ind.: 184.408 off 223  CAC 40 (MATTIP) estro 10 per index point Fab 99 428.0 4174.5 4181.0 -17.0 110.945 Mar 90 N.T. N.T. 4164.5 -14.5 19.433 Mar 60 N.T. N.T. 4254.0 -17.0 51.801 Sop 99 N.T. N.T. 4254.0 -17.0 110.945 Mar 60 N.T. N.T. 4254.0 -17.0 1.901 Est. soles: 54.538 Open int.: 195.094 off 2.564  COMMINGORITY Indexes Close Previous	Money Market Rates   United States   Today   Prev   British   Today   Prev   Bose rate   51/4   6.00	
Ext. sides: 57.497. Prov. soles: 49.997 Prov. open int.: 107.461 off 2.279 10-YEAR PREJACH GOV. BONDS (MATJE) auro100.000: pis of 100 pc/ Mar 99 112.77 111.65 111.71 0.40 85.565 Ect. soles: 51.225 Open int.: 85.565 off 1.794	DOC 99 94.500 94.500 94.505 -0.040 100.885 Mer 00 97.545 97.525 -0.040 100.885 Mer 00 97.545 97.525 -0.045 94.985 Sup. 00 94.985 94.945 94.975 94.985 0.045 94.985 94.945	Moody's 1,177.50 1,179.50 Resters n.o. 1,447.60 77.530 77.	Gold Fixings   287-25   287-25   40.35   289-25   287-25	•



#### **EUROPE**

### Ruble's Fall Shrinks Russian Economy 4.6 %

MOSCOW - The economy contracted 4.6 percent m 1998, its biggest decline in four years, the plunge in the ruble's value depressed ernment bonds, could not meet their production and consumer demand.

The decline was greatest in agriculture, construction and financial services. The government forecasts a drop in gross domestic product of 1 percent to 3 percent this year, though analysts says it could be as much as 5 percent.

"The considerable drop in domestic demand and the fall in capital investment cuts companies' produc-tion levels," said Alexei Zabotkin, an analyst at United Financial Group in Moscow

The ruble has fallen more than 70 percent since August, when the government defaulted on its Treasury

Executive Killed

In South Africa

Complied by Our Staff From Dispute

JOHANNESBURG - The

bead of Daewoo Corp.'s re-

gional headquarters in South

Africa was shot to death in a

Johannesburg suburb, the

South Korean company said.
The executive, Kwon Yang

Koo, 50, was found dead Wed-

nesday in a car at a parking lot

near his house, said a spokesman for Daewoo Corp., trading arm

The killing revived worries

that foreign investors would steer clear of a country in the

midst of a crime wave that has

made cariackings in Jobannes-

A team of four Daewoo ex-

ecutives from the South Korean

offices of the conglomerate ar-

rived to review the situation, a

Daewoo Motor SA executive

said Thursday. Daewoo has in-

sisted that it will stay in South

crime was not an ordinary car-

jacking, the police said. The

killer did not take Mr. Kwon's

wallet, cellular phooe or other

valuables. But the police did not

provide other possible mo-tives. (Bloomberg, AP)

Thursday, Feb. 4

In euros for EMU countries.

Amsterdam

WORLD STOCK MARKETS

High Low Close Prev.

AEX mder: 521.27

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Evidence suggested that the

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of the Daewoo conglomerate.

debt and stopped supporting the cur-rency. At the same time, Russia's day. final reading in Parliament on Fri-reported. traffic last year, Bloomberg News payment system broke down begovernment said Thursday, as the which were the main bolders of govown obligations.

system burt producers, and a lot of investment planned for last year was put off," said Peter Westin, an economist at the Russian European Center for Economic Policy.

The ruble slipped Thursday, with the dollar quoted at 23.14 rubles on the Moscow Interbank Corrency Exchange, according to Interfax, draft compared with 22.92 rubles Wednesday.

The ruble has continued to slip from the target level of 21.50 to the carrier, said workers had approved a make it easier to steer.

Meanwhile, the government tried cause many of the largest banks, to save the Kremlin's expense ac- 25 percent stake in the airline and the budget's final hearing.

The State Duma, the lower house The collapse of the payments of Parliament, will debate the spending package that provides for 474 illion rubles in revenue.

Last week, legislators seeking extra funds for social speuding agreed to slash the Kremlin's \$40 million administrative budget by 40 percent. In response, an angry President Boris Yeltsin threatened to veto the (Bloomberg, AFP)

Trims Made in Aeroflot

OAO Aeroflot, Russia's national dollar set in Russia's 1999 spending change in management after a de-plan, which due for its fourth and cline in international passenger

Aeroflot employees, who hold a count from deep cuts on the eve of are entitled to a voice in management changes, agreed to a shuffle proposed by the company in mid-January, including cutting the number of deputy general managers to two from six.

Aeroflot reported a 14.1 percent decline in the number of passengers on its international flights last year.

"They clearly have a pretty complicated structure with a lot of people making decisions in the com-pany," said Erik Wigertz, an aviation analyst at Brunswick Warburg brokerage in Moscow.

"It could be that they are trying to

The government is planning to sell part of its 51 percent Aeroflot stake.

### Restructuring Bolsters 1998 Profit at ABB

ZURICH - ABB Asea Brown Boveri Ltd. said Thursday its profit pany said. rose 11 percent last year as income climbed at most of the Swiss-Swedish conglomerate's operations offering opportunities for stronger and as it benefited from a restruc-

turing program. Net profit rose to \$1.31 billion for company that shares control of the the year from \$1.18 billion a year conglomerate last month sold its 50 earlier, despite a 1.3 percent drop in percent stake in the railway joint sales to \$30.87 billion.

power generation, power transmission, energy and financial services. cern Elsag Bailey Process Automa-Earnings declined in automation be- tion NV last year,

cause of a cyclical weakness in demand in certain industries, the com-

ABB is reshaping its activities with an increased focus on sectors effort, the Stockholm-listed holding les to \$30.87 billion. venture Adtranz to its partner, Operating earnings were strong in DaimlerChrysler AG. It also acquired the Dutch technology con-

ABB said the boards of the holding companies, ABB AB and Zurich-listed ABB AG, had agreed to consolidate the current four classes of stock, each with different voting rights and nominal values. into a single class.

The chief executive officer, Goran Lindahl, said the plan would make the stock more liquid and simplify ownership and voting structures. The company said it expected orders, revenue and net income to rise in 1999 despite a "difficult"

(Bridge News, AFP)

High Low Close Pres

Stakis Bets That Bid Is Takeover Move

LONDON - Stakis PLC, a Brit-

isb hotel and casino company, said Thursday it had received a bid that may lead to a £1.1 billion (\$1.8 billion) takeover offer.

Stakis would not say who had tendered the bid, but analysts said it was probably Ladbroke Group PLC. A Ladbroke representative declined to comment oo what she described as a market rumor.

But analysts said Ladbroke, Bri- this is a low price," Fraser Ramzan, States.

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shops, is eager to buy after two failed of Stakis. expansion moves in the past year. was blocked by the government in September as anti-competitive. In rose 20 percent, to £56.6 million. March, Ladbroke was outbid by Bass PLC, the British brewer and leisure group, for the Inter-Conti-

nental Hotels & Resorts chain.

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tain's largest bookmaker, with 1,900 an analyst at Lehman Brothers, said

Stakis owns about 50 hotels in-Ladbroke's proposed acquisition of cluding the London Metropole, 22 the Coral chain of 827 betting shops casinos and 63 LivingWell bealth clubs. In its latest year, Stakis's profit

Ladbroke, which owns the Hilton Park Lane and Langham Hilton in London, has 169 Hilton hotels worldwide and owns the Hilton "It's a great company, and I think Hotel brand ootside the United (Reuters, Bloomberg)

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### Chief's Fate Spurs BMW **Stock Price**

Compiled by Our Stoff From Desputches FRANKFURT - Bay erische Motoren Werke AG shares rose sharply Thursday amid reports that the company's chief executive may be replaced, opening the way for the disposal of Rover Group, the company's unprofitable British unit, or even the sale of

the whole company.
The German publications
Handelsblatt and Boersen-Zeitung reported that Bernd Pich-etsrieder would be replaced Friday by the company's super-visory board. The board has grown tired of waiting for him to bring Rover back to profit,

the papers said.
Wolfgang Reitzle, BMW
board member and chief of
marketing and development, was Mr. Pischetsrieder's most likely successor. Handelsblatt said, citing what it called "good sources" at the company.

In December, the newspaper Die Welt said Mr. Reitzle had resisted Mr. Pischetsrieder's plans to put him in charge of Rover since he did not want to be held responsible for continned lack of success at the unit. BMW shares rose 45 euros (\$50.83) to close at 659 on

Thursday. Rover has not earned a profit since BMW bought it for \$1.2 billion in 1994.

Elsewhere Thursday, General Motors Corp. denied a report in a Belgian newspaper Thursday that it was interested in an alliance with BMW. Separately, Fiat SpA said it

had ruled out making another offer for Volvo AB after the Swedisb company rejected its offer of more than \$13 billion. "We are not interested in buying Volvo," said Alberto Masoero, chief spokesman for Fiat. Volvo has said that it did not receive a concrete offer from the Italian company.

(Bloomberg, Reuters)

Shenzhen

" In U.S. dollars.

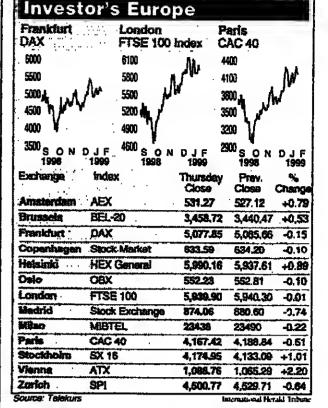
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#### Very briefly:

 PepsiCo Inc. acquired a 77 percent stake in Egyptian Bottling Co., also known as Pepsi Cola Egypt, as part of an investment plan valued at \$400 million.

 Unemployment in the 11-nation European single-currency region was unchanged at 10.8 percent in December as slowing growth hindered job creation. In the 15-nation European Union, the rate was 9.8 percent, unchanged from November.

 Bank Austria Creditanstalt AG and Credit Agricole Indosuez of France announced cuts in their operations because of changing market conditions. Bank Austria will close its international investment-banking unit and cut 60 jobs. Credit Agricole Indosuez will close its non-Asia emergingmarkets subsidiary and cut 200 jobs.

• Wolverhampton & Dudley Breweries PLC, a British beer maker, succeeded with its £289.3 million (\$473.9 million) bid for another British brewer Marston, Thompson & Evershed PLC. Audi AG's sales rose to a record 27 billion Deutsche marks

(\$15.66 billion) last year from 22.4 billion DM in 1997. The luxury-car unit of Volkswagen AG added that 1999 would be another good year for growth. • The Royal Automobile Club of Britain said Cendant

Corp. of the United States had abandoned plans to buy its RAC Motoring Services arm for £450 million after the British government imposed tough antitrust conditions.

High Low Class Pret.

 Akzo Nobel NV of the Netherlands will buy the prescription-drug business of the Japanese cosmetics, pharmaceuticals and fibers maker Kanebo Ltd., doubling its drug business in the world's second-largest market for pharmaceuticals. Terms were not disclosed

Bloomberg, Bridge News, Reuters

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(Bloomberg, AP)

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DID YOU MISS A Day This Week?

This past week's front pages are available for viewing on the IHT site on the World Wide Web.

http://www.int.com

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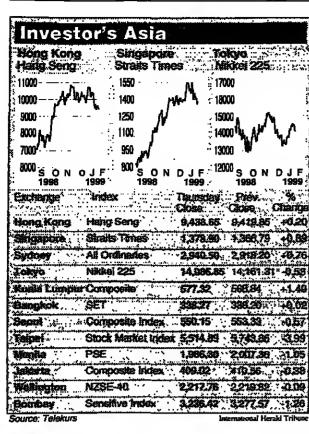
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#### Very briefly:

M Fuji Heavy Industries Ltd., the Japanese maker of Subaru cars, may form an equity alliance with another carmaker, President Takeshi Tanaka said, depending on what happens at Nissan Motor Co., Fuji Heavy's largest shareholder with a 4.17 percent equity stake. Nissan is seeking a solution for its deht problem in talks with DasmlerChrysler AG.

exchange rate as Hitachi did, are expected to follow suit and announce reduced earnings prospects

• Thailand's "hidder of last resort" for assets of 56 defunct finance companies, Asset Management Corp., may not participate in a March 10 auction because of a possible shortage of funds. It plans to issue bonds to augment its 15 billion baht

(\$409.3 million) of government-provided equity capital. M Nippon Steel Corp. slashed its net profit estimate by half, to 5 billion yen (\$44.3 million), for the year through March which would mean a drop of 15.9 percent from the year before

 citing weak domestic demand and a reduction in exports. M Sanyo Electric Co. is forming a "comprehensive" alliance with Eastman Kodak Co. to produce flat display panels. The organic electroluminescence display panels are better than conventional liquid crystal models because they use self-luminous pixels that require no backlighting and less power.

profit before charges rose 7 percent, to 31.2 million Australian dollars (\$19.9 million), as it raised prices of its publications. • Hanvit Bank, the largest lender in South Korea, plans to let go one third of its managers and close about 100 branches this

### Hitachi Loss To Exceed Its Forecast

By Stephanie Strom New York Times Service

TOKYO—Contrary to the beliefs of senior government officials here. the stronger yen is pinching Japanese businesses, with negative implica-tions for the Japanese economy.

Hitachi Ltd., a conglomerate whose products include semiconductors, personal computers, kit-chen cabinetry and rice cookers, Thursday increased its estimate Thursday of its loss for the year that ends in March, largely blaming the stronger yen.

The company said it expected to post a loss of 375 hillion yen (\$3.32 hillion) for the year to March 31, 125 hillion yen more than it forecast in November.

Hitachi blamed the yen's rise and a one-time charge of 185 hillion yen for the additional losses. In November, Hitachi expected the dollar to trade at about 125 yen, hnt since October, the dollar has averaged 1 17.90 yen, lowering the anticipated

value of Hitachi's overseas sales. Other major Japanese exporters, many of which expected the same over the next few weeks.

The government has not intervened to cap the yen's rise, although many economists say its continued strength will further depress corporate Japan's prospects. Without factoring in the ven's rise, many analysts have estimated that more than 70 percent of Japanese companies will report losses for the year.

Hitachi has been working to revamp its heavy electric and consumer electronics businesses and is still working to pare costs at its semiconductor operations. But some analysts regard its efforts as minimal. "West Australian Newspapers Holdings Ltd.'s first-half

'I hope that this will kick management into gear to seriously re-shape the group, 'said Steven My-ers, senior analyst at Jardine Fleming Securities in Tokyo.

# Critics Take Aim at Jakarta's Bank-Bailout Plan By Michael Richardson eign. have also with local and for In a present the state of the

JAKARTA -- The government's program to revive its crippled banking system at a cost of around 300 trillion rupiah (\$35 billion) has gotten off to a shaky start, with Indonesia's newly assertive Parliament threatening to withhold approval for the annual budget unless the government agrees to revise the plan.

In an attempt to defuse the criticism, Finance Minister Bambang Subianto assured Parliament on Wednesday that the government would soon announce the full list of banks to be liquidated, as well as those being recapitalized

Rebellious lawmakers contend that the bank bailout is too costly and that taxpayers' money should not be used to rescue private banks, many of them owned by wealthy members of the ethnic Chinese minority who were seen to have benefited from close ties with the now disgraced former president.

The political critics - who also include at least one prominent government minister - insist that the money saved be used to help alleviate mass poverty and unemployment in the world's fourth most popits worst recession in 30 years.

program to restructure and recap- concern, said the program could proitalize the debt-laden banks, many of which have been left with little or no capital and are weighed down by bad loans.

The critics are concerned in part to close a majority of the 166 comdependently audited, for fear of triggering panic and creating a huge bill to repay all depositors under a govemment guarantee.

'To clean up the banks, you have to get tough," said Anwar Nasution, dean of the economics faculty at the need are a small number of strong with many branches

throughout the country. Under the recapitalization, the government says it will inject as much as 80 percent of the money

needed to rescue ailing banks.

The 61 banks that are eligible for recapitalization - in the so-called Category B - must submit a business plan detailing how they will improve their position and show 'sound and transparent' management. Bank owners must also find 20 percent of the funds needed for recapitalization from their own reulous nation, which is being hit by sources or by turning to sharehold-

duce an unsound banking system.

It said that by offering blanket recapitalization to the weak banks but not to financially stronger Category A banks, the plan "risks creabout the government's reluctance ating the impression that in the future, poor performance will be tolout as necessary.

Moody's estimated that the cost of recapitalization would amount to nearly 258 trillion rupiah. It says that the cost of closing a further 18 of the weakest hanks, in Category C, under the supervision of the Indone-University of Indonesia. "What we sian Bank Restructuring Agency

would be around 36 trillion rupiah. This hill totals about one-third of Indonesia's forecast 1999 gross do-

mestic product. Moody's said that in addition, there was the cost of interest payments on the bonds that the government planned to issue to pay for its share of the recapitalization, as well as the cost of liquidating 12 Category C banks not under the su-

pervision of the agency. The draft budget for the financial year that starts April 1 — presented to Parliament last month by the successor to Mr. Suharto, B. J. Habihie - included 34 trillion rupiah to pay one year of interest on the bonds.

economic growth, three of the four groups that dominate the legislature. including the governing Golkar party, said the government should be more selective with the money it

planned to use for recapitalization. The government said Friday that mercial banks that bave been in- erated and that banks will be bailed it would pump 4.3 trillion rupian into 12 banks, two of them private and the other 10 state-owned pro-

vincial development banks. But the lion's share of the money 3.75 trillion rupiah — is reserved for Lippo Bank, controlled by the ethnic Chinese Riady family, which is thought to have close ties to Mr.

'In the eyes of the public, Lippo 🦸 Bank is seen as the new crony of the government," said Hadi Soesastro, executive director of the Center for Strategic and International Studies in Jakarta

Sjahril Sahirin, governor of the central bank, said the 12 banks had been chosen as the initial group for recapitalization because they had fulfilled the criteria for eligibility.

He brushed off suggestions that the close link between the Riady family and Mr. Hahihie was a factor in the rescue of the bank. "If the bank is large, then so is the injection." Mr. Sabirin said.

#### Japan Cuts Down On Racketeers

TOKYO -- The number of corporate racketeers, or sokaiya, fell by a third last year because of police crackdowns, the national police agency said

The number of active sokaiva was about 600 at the end of 1998, down from about 900 a year earlier, the police said.

Sokaiya are known for huying a token amount of a company's stock and threatening to disrupt shareholders meetings unless they are paid. (AFP, AP)

### Rising Yields Set Off Japanese Bond Rally

posted their higgest rally in almost fund manager at SB Investment tral bank's short-term money-mar-five months Thursday, snapping a Management Co. "We'll keep a ket operations would be sufficient to six-day slide, as the highest yields in stance to buy bonds on dips.'
more than 18 months lured in-

Bonds also gained after U.S. Treasury Secretary Robert Ruhin urged Japan to "look at monetary policy as one of the key tonls avail-able" to help its faltering economy. His comments spurred speculation that the United States would pressure Japan to act to curb the recent the highest for any Japanese benchrise in long-term interest rates.
"Bonds could have fallen" if Mr.

Rubin had not made those com- ments, the Bank of Japan's gov-TOKYO -- Japanese bond prices ments, said Masahiro Kami, a chief ernor, Masaru Hayami, said the cenfund manager at SB Investment tral bank's short-term money-mar-

The price of the 10-year bellwether No. 203 bond maturing in underwriting of newly issued Jap-2008 rose 1,342 points, or 671 year 10. The yield fell to 2,17 percent. continue its bond-purchase opera-Mr. Ruhin's remarks followed a tions in line with monetary growth, jump in the yield on the No. 203 bond to 2.44 percent Wednesday,

mark issue since mid-1997. In spite of Mr. Rubin's comsupport the economy. Mr. Hayami again said that direct

anese government bonds was not an (\$5.94) for each 50,000 yen hond, to option for the Bank of Japan. He 97,121, the higgest gain since Sept. added that the central bank would "We will continue to support the

economy with our short-term money-market operations," Mr. Hayami told a parliamentary com-(Bloomberg, Reuters)

Advertisement February 4, 1999 INTERNATIONAL FUNDS To receive free daily quotations for your funds subscribe at: e-funds@iht.com Katy Houri: Fax (33-1) 41 43 92 12 or e-mail: in 177 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 27 | 147 244 CREDITANSTALT AG
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ing a two-way pager and its three-month-old InstantBroker service.

For \$49.95 a month, traders can send orders for certain U.S. stocks directly to Fidelity's processing center and receive a confirmation in

• SEI Investments Co., a U.S.

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first foreign institution to control a

company in South Korea's fledgling

seconds, the company said.



# Bailout Plan

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#### Japan Cuts Down On Racketeers

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WASHINGTON - The recent flurry of American companies declaring stock splits presents investors with a familiar quandary: buy, hold or sell? It is a question more shareholders their stocks - usually in the

are facing these days as the companion of making them more nies announcing splits since the beaffordable to the average inginning of the year include a Who's vestor—often enjoy a small who of Corporate America, among bounce in their stock prices. In efchines Corp., America Online Inc., Intel Corp., Pfizer Inc., Microsoft
Corp. and McDonald's Corp.
When companies split their stock,
When its Jan. 25 amour

By Tim Smart

Washington Post Service

they typically double the number of shares outstanding, which effectively halves their price. A \$100 stock then becomes a \$50 stock going forward, though the shareholder has

\*Stock Splits Offer Quick Rewards, but for How Long?

of the Standard & Poor's

Outlook newsletter. Common market lore has it that companies that split

share price and please their share- stocks soon.

after its Jan. 25 announcement of a and even contradictory, the evidence average of 3.38 percent within days split, while McDonald's stock seems to be that stock prices do declared its split.

Faith in this notion has prompted great interest among investors in are anticipating which companies

INTERNATIONAL INVESTING

Many investors continue to anticipate splits in stocks in hopes of a quick profit.

fect, they get a free boost to their companies expected to split their the food is good that there are long splits occurring in the 1990s.

But the story is not so simple. Microsoft stock rose 3.6 percent While the research is inconclusive jumped 4 percent on Jan. 26 after it increase after splits are announced but they rise more beforehand.

The reason could be that investors

twice as many shares of the \$50 predicting splits, as reflected in the stock than he did of the \$100 stock. On the stock than he did of the \$100 stock. On the stock than he did of the \$100 stock. On the stock than he did of the \$100 stock. On the stock on-line Web sites and newsletters that the companies that split their stocks. Or it could be that the companies that split their stocks. Or it could be that the companies that split their stocks. Or it could be share prices averaging close to 75 stocks, Microsoft being a prime experience in the split. said Arnold Kaufman, editor lished investment newsletters such ample, are doing so because their A more exhaustive study last year,

stocks have increased so conducted by a University of Westmuch in value. em Ontario professor, Craig Dun-"Long lines that stretch bar, came to a different conclusion. out the door at a restaurant Tracking stock splits from 1929 to don't necessarily mean the 1988, Mr. Dunbar discovered that out the door at a restaurant food is good," said David after the first-year rise, returns of Ikenberry, a Rice University companies that split their stocks trailed those of other companies. professor who wrote a 1996 study on stock splits. "It's because Neither study, though, included

lines out the door." Nonetheless, many investors cou-Mr. Ikenberry found that compatinue to anticipate splits in hopes of a nies saw their stock prices rise an quick profit. Some hot tips, courtesy of S&P and other market watchers. after announcing a split and gains of as much as 12 percent higher than include Cisco Systems Inc., whose stock is up 164 percent over the past comparable nonsplitting firms in the first year after the split. But his study year and trading close to its all-time high, and Lucent Technologies Inc., also found that splitting firms had np 146 percent in the past 12

onths.

"People are anticipating good earnings and also a stock split" in some high-tech companies that have • Charles Schwab & Co., a brokerseen huge gains in their share prices, said Eric Aafedi, president of Stock-splits.net, an on-line service that atage firm, said private investors in Britain had traded more than £100 million (\$163.8 million) of stock

tempts to herald upcoming splits.

Both Cisco and Lucent have stock through its Internet dealing services prices of more than \$100 a share, Cisco was at \$105.9375 in midday w Fidelity Investments will let custrading Thursday, while Lucent was tomers who make at least 36 stock at \$105.5625. transactions a year trade stocks us-

Market strategists say companies like to avoid having their stock trade at three-digit prices because it tends to dissuade individual investors from purchasing it. By splitting two for one, a \$100 stock immediately becomes a \$50 stock, and the investor has twice as many shares. Although nothing fundamental has changed, psychologically the investor feels as if he or she has a higger stake in the company after a

split, analysts say. mutual-fund industry. SEI will pay Companies like to have individu-3.86 billion won (\$3.3 million) for al investors buy their stock, analysts 50.1 percent of Asset Korea Investsay, because they are more loyal ment Trust Co. in a rights offering. than institutional investors, who of- SmarTone Telecommunications ten move in and out of a stock based Ltd. of Houg Kong said its on the news. The broader ownership "SmarTrade" service would allow increases the liquidity of the stock, allowing trading to occur over a wider shareholder base, and it also people to trade Hong Kong-listed stocks through their mobile phones

### SCONTINVEST BOND FUND

Luxembourg Moltiple Compartment Collective Investment Fund agencut Company: Scontinvest Bond Fund Management Company S.A. 18, Boulevard Royal \*L-2449 Luxembourg

### INFORMATION TO THE UNITHOLDERS

DECISION OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY On Jamesry 19, 1999, the Board of Directors of Scontipvest Bond Fund Management Company S.A., as management company of the fund Scoarinves Bond Fund decided to close, with effect as at March 10th 1999, the sub-funds SCONTINVEST BOND FUND - MULTI HEDGED DEUTSCHE MARK and SCONTINVEST BOND FUND - MULTI HEDGED SHORT TERM DEM as result of the contribution of their assets to the sub-funds SCONTIN-VEST BOND FUND - MULTI HEDGED FRENCH FRANC and SCONTIN-VEST BOND FUND - MULTI HEDGED SHORT TERM FRF and to redenominate these sub-funds in SCONTINVEST BOND FUND - MULTI HEDGED EURO et SCONTINVEST BOND FUND - MULTI HEDGED

The unitholders who disagree with the proposed coordinaton can, within one month, request the redemption of their units in compliance with the terms of

NEW MANAGEMENT REGULATIONS DATED JANUARY, 1999

It results from the decision dated January 19, 1999, herween Scontingest Bon-Fund Management Company S.A., as Management Company of the fund "Scontinvest Bond Fund" and Discount Bank S.A., as Depositary Bank of the fund above, that the updated Management Regulations dated January 19, 1999, have been issued and signed to book the modifications of form and content made to the articles 1, 7, 15 and 17 of the Management Regulations dated December 13, 1995.

This modifications of form or content are marnly related to the definition of the code used for currencies, the issue of hearer certificates and the details of

the publication of the notices.

The new Management Regulations will be deposted with the "Registre de commerce et des sociétés" of Luxembourg.

NEW SALES PROSPECTUS DATEU MARCH 1999 It results from the decision of the Board of Directors of Scontinvest Bond ted Sales Prospectus dated March 1999, will be updated to take into account

the modifications resulting from the following decisions

1. Modifications of form and content made to the articles 1, 7, 15 and 17

Modifications of form and content made to the articles 1, 7, 15 and 17 of the Management Regulation dated December 13, 1995 related to on of the currencies' codes, the issue of bearer certificates

and the formalities for publication. Modifications regulting from the introduction of the EURO of which

the merger by acquisition of sub-fund of same nature expressed in currencies of countries participating to the EURO. Creation of a new sub-fund: Scontinvezt Bond Fund - Malti EURO

The beaver certificates issued are exchangeable from March 10, 1999 at Discount Bank S.A., 18 Boulevard Royal, L-2449 Luxembourg The new sales Prospectus dated Match 1999 will be available at the Register Office of the Management Company

Luxembourg, January 19, 1999.

Scontinuest Bond Fund Management Company S.A.

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### Investor's Departure Rattles Taiwan Stocks Fall as Businessman Heads to U.S., Seeking Help on Debts

TAIPEI — The stock market fell sharply Thursday after a debt-ridden lawmaker and businessman left for the United States to seek financial

help, sparring worries that other investors would default on debts. The benchmark Taiwan Stock Exchange weighted index fell 3.99 percent as investors dumped shares in panic selling sparked by reports that the businessman, Liu Ping-wei, had left for Los Angeles after writing checks for millions of dollars

without funds to cover them. Mr. Liu, a lawmaker from the governing Knomintang whose family owns the Hai Shan group, which has interests in more than 20 companies, reportedly issued checks for 126 million Taiwan dollars (\$3.9 million) that bounced this week.

Mr. Liu has admitted financial troubles - with liabilities estimated at 1 billion to 2 hillion dollars after suffering investment losses and spending massively in his elec-

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with the Lius just made investors more nervous," said Fred Lin, a fund manager at China Securities Investment Trust Co. "They don't know how many more businesses are in trouble."

Taiwan's benchmark stock index has fallen 14.1 percent this year, making it the worst performer among major Asian stock indexes, amid a spate of bounced checks and defaults on stock trades.

Investors, often linked to the companies whose shares they bought, have defaulted on more than 6 billion dollars in trades in the past four months.

Several property and construction-linked business empires have stumbled after companies or their directors borrowed too much and guaranteed those borrowings with stock and property. They often then tried to prop up share prices by buying stocks.

Katy Houri: Fax (33-1) 41 43 92 12 or e-mail: funde@ht.com

tion campaign. "What's happening eroded people's wealth, slashing demand for houses and business property," said Grace Lee, manager of the New Technology Fund at Jardine Fleming Investment Trust

Mr. Liu and his family arrived in

Los Angeles on Thursday.
The Chinese-language China
Times of Taiwan said Mr. Lin was seeking help from his father, Lin Shun-tien, who manages the financial operations of the Liu family and has already flown to Los Angeles.

"I will try get some help from several friends to avoid further speculation about me," the lawmaker said in remarks reported by the Taiwan news media, pledging to return to Taiwan shortly.

Liu Ping-wei's brother Liu Pingchung, the former chairman of a technology company, Advancetek, has also issued checks totaling more than 100 million dollars that were backed by insufficient funds, news-'Stock declines since last year papers said. (AFP, Bloomberg)

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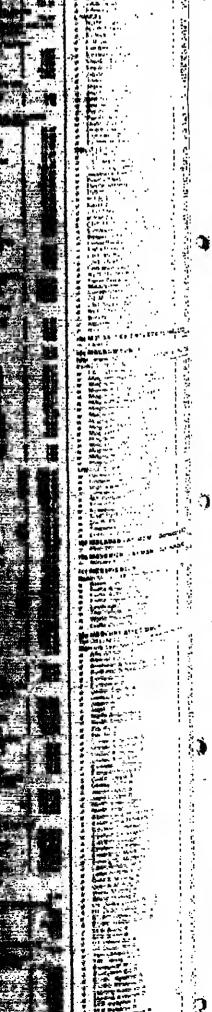
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Michael Jordan going to the basket to score against the Utah Jazz in the finals last year as the Chicago Bulls won the title. process in runner-up cities such as of the Central Division basement.

### Life Without Jordan: NBA Looks to New Lures

Return to Team Rivalries and Emergence of Many Young Stars Are Expected to Keep Fans Happy

By Mike Wise New York Times Service

NEW YORK — The job of for a finals showdown. resurrecting the National Basketsciousness — is no longer Michael Jordan's responsibility.

will be busy planning a golf outing this June. The retirement of the game's best player and premier attraction not only ended the

league, but the league will survive and it will survive when all of us are gone. Whomever emerges as suspended, troubled Golden State and baggage of Latrell Sprewell. the torch bearers, let them emerge on their own.

Wilkens echoes the general perception among players, coaches and league officials, who maintain

Vear-old center's knees crumble.

Indicative of tough omes. that there is oo one player waiting to take Jordan's place. Instead, a handful of young stars and a return to team rivalries are seen as the way to renew fan interest.

The first gauge may be the unof desperate teams after the lock- amounts to a rematch of last seaout ended, it was thrown together son's final. in three weeks. Fifty games will be

raises concern over injuries and quality of play. But at least Jordan left a going- George Karl in Milwaukee. away present: Twenty-eight other

experience alone, seemed headed the forecast is grim in Chicago. as keed. The Lakers, who are the cameras and be amenable to for a finals showdown.

Ron Harper and Toni Kukoc are searching for a complement to the marketing possibilities. You

ball Association's image—and of relying on the same core group— Wennington was the lone free purging the taint of a destructive lockout from the public's con- Mark Jackson—that came within Bulls' banner days are far behind. a game of beating the Bulls last season, in Utah, Karl Malone and While the rest of the league John Stockton are still shaking works to regain its identity, Jordan their heads over the last 40 seconds of Game 6, when Jordan stole Utah's soul and led Chicago to its sixth title in eight seasons.

Since that summer night in Salt championship run of the Chicago Lake City last June, the league has Bulls, but also produced a feeling undergone a striking transforma-

"We need to sell basketball," said Lenny Wilkens, the Atlanta coach. "Michael was great for our league, but the league will are some some services of the serv

Warrior to a rejuvenated Knick, expected to belp Patrick Ewing get a championship ring before the 36-· Indicative of tough omes. Dennis Rodman is looking for a job, although Miami, Orlando and

the Lakers have shown interest. Nowhere will the changes be more evident than at the Delta Center in Utah on Friday, where predictable, seat-of-the-pants sea- the Jazz play host to the Bulls on son that begins Friday. Like a lot opening night in what hardly

Tim Floyd takes over for Phil played over 90 days, a grind that Jackson in Chicago and is one of seven new coaches, including Paul Westphal in Seattle and

Floyd is not presiding over the franchises have a chance to win a defending champions as much as title, which accelerates the healing he is figuring out how to stay out

Indianapolis and Salt Lake. The Pacers and the Jazz, on talent and Luc Longley and Rodman gone, Out West the competition is no

many Eastern Conference teams undergoing facelifts, parity might kill Indiana's chances of securing the best record in the league. and home-court advantage throughout the playoffs. New York finally

gave up on the old guard of Charles ont line.
Oakley and John
Lattell Sprewell went from a Starks and wagered on the talent

Sprewell, who has not played a regular season game in 14 months following his suspension for choking his coach. P.J. Carlesimo. in December 1997, became the most controversial acquisition of the off-season. The New Jersey Nets, despite

and Rony Seikaly, have enough ralers to contend for the Atlantic Division title. Atlanta still has its nucleus in-

tact, and the Hawks added the emerged over the last decade former Nugget LaPhonso Ellis through free agency.

Anfemee Hardaway is finally healthy again in Orlando, where the Magic acquired Isaac Austin and remain in the hunt for Rodman. Young legs in Cleveland give

the Cavaliers hope. And now that Washington has re-signed Rod Strickland, the Out West the competition is not

Larry Bird, in his second year, is the only returning starters. Bill Shaquille O'Neal in the post not only have to perform midair (Rodman is a possibility), appear artistry with the basketball, you agent offered a contract. The all grown up. But then, that's what everyone said last year before the to work out during the off-season. The Pacers seem poised to take Jazz swept them away in the con-over. Yet with so ference finals.

Houston, Seattle and San Antonio represent the only other great threats to Utah's chances of a third straight trip to the finals. So-so backcourts hurt the Spurs and Rockets, while the soft Sonics are in desperate need of a rebounder with a oasty disposition.

"A lot of people are predicting Utah and Indiana because of their

experience and being there in the past, but I honestly think Los Angeles, San Antonio and maybe Miami have as good a chance as anybody," said Karl, who has resurfaced in Milwaukee after being fired by Seattle. "When May comes around, I think we are go-ing to have at least one surprise." There is mystery over who will

win the title again. And that in itself is almost as tantalizing as. vell, watching Jordan play.

Many in the league pine for the

preseason injuries to Kerry Kittles days of Bird's Celtics and Magic Johnson's Lakers, the last NBA team rivalry that captured the country's imagination. The personality-driven league that has the league. make a return to those times seem

all but impossible. The pressure is on players like Grant Hill, Kobe Bryant, Tim Duncan, Keith Van Horn, Stepbon Marbury, Kevin Garnett, Allen Iverson and especially O'Neal to take the league into the next millennium.

It is an arduous task. You not

only have to lead your learn to a title, but you have to smile wide for as keep. The Lakers, who are the cameras and be amenable to need to care enough about the sport

"I don't think that we should drop the burden on them that the have to carry the NBA, because, they don't," Wilkens said, "People forget when Michael came in his first couple of years, no one dubbed him as a torch hearer, but he emerged into it, based on what he did. I think we need to let Kohe and we need to let Grant mature

into those positions."

The commissioner. David Stern, said, "The challenge is for each for them to push their team to victory, that's the challenge.'

As to what kind of season to expect, no one is sure. For the first time in 10 years, teams will occasionally be playing three games on three consecurive nights which will eliminate many practice sessions. Some players, such as Shawn Kemp, ate too much in the extended off-season. They are trying frantically to shed pounds before the opener.

Overweight All-Stars. Condi-

tioning and chemistry kinks. And, finally, no Jordan to bail out his team, the networks and, basically, Some new era.

"If you do win a champion-ship," Karl said, "I don't think anyone should put an asterisk un the side and say it was not a full season and Michael wasn't play-

"I think it is a great opportunity for every team now to say, 'Michael's not in there now, it's wide

### A Look at the Teams as the Season Tips Off

The Knicks Look Good, While the Bulls Are the Marlins of Basketball

By Mike Wise Non York Times Service

Here is a division-by-division Here is a division-by-division masternation washington wizards Now that Rod Strickland has re-signed, season, which apens Friday. The teans are previewed in the order of their expected finish.

#### Eastern Conference

**Atlantic Division** 

NEW YORK KNICKS The wisb list is long: Latrell Sprewell wants his reputation back, Patrick Ewing wants to recapture his timing and wind, and Jeff Van Gundy, the coach, is begging for anyone to rebound. Even with an overhauled roster, the most important conponent for the Knicks to get out of their second-round rut is the continued rise of Allan Houston to All-Star level. If he is that good and Van Gundy makes his players jell. the Knicks will meet the Pacers in the Eastern Conference final.

Additions: G Sprewell, F Marcus Camhy, F Kurt Thomas, F Dennis Scott. Key losses: F Charles Oakley, G John Starks, F Chris Mills.

**NEW JERSEY NETS** By June. Keith Van Hom could develop into the New York area's best NBA player, and Jayson Williams may dethrone Dennis Rodman as the league's rebounding leader. Preseason injuries to Kerry Kittles and Rony Seikaly will stall the Nets for a while, but they have too many young legs and too much offensive talent not to be a conference finals contender. Additions: C Jim McIlvaine, G

Eric Murdock . Key loss: G Sherman Douglas.

MIAMI HEAT For Pat Riley, it is Year Four in Miami. To keep selling the program to players, Riley has to take the Heat further than the first round of the playoffs. Alonzo Mourning and Tim Hardaway need help from a shooting guard, where Voshon Lenard will be out for two months with a broken shin. Riley's refusal to pull the trigger on any off-season deals means one of two things: He believes the talent he has will vault the Hear past the Knicks and Pacers or he is still waiting for the right player to fall into his lap before the trading deadline.

Additions: F Clarence Weatherspoon. G Terry Porter. Key losses: G Brent Barry, G Eric

ORLANDO MAGIC The signing of Isaac Austin gives Chuck Daly a decent center. The team is still in the hunt for Dennis Rodman. eod, won't stand for another losing Throw in Bo Outlaw and Horace record. Grant, and that's a bona fide front line. Anferoee Hardaway is finally healthy, Nick Anderson has got his confidence back, and the only weak link may be depth in the backcourt. Whether Hardaway is still one of the game's 10 best players may mean the difference between the second round of the playoffs and the lottery.

Additions: C Isaac Austin, G Doug Overton, C Michael Doleac (draft, No. 12, Utah), F Matt Harpring (draft, No. 15, Georgia Robert Traylor (draft, No. 6, Buechler, C Joe Kleine, Tecb). Key losses: F David Benoit, Michigan), F Donald Royal. Key топонто партонь Т G Derek Harper, G Mark Price.

National Baskethall Association the Wizards have the league's best bener than it was a year ago and sbould make the play

Thorpe. Key losses: F Webber, F Harvey Grant.

BOSTON CELTICS Rick Pitino's frenetic, push-the-ball pace should create havoc the first weeks of the season. Antoine Walker recently signed on for the long haul, and Ron Mercer conquestion mark — as is a trip to the Additions: F Tony Battie, F

Paul Pierce (draft, No. 10, Kansas). C Eric Riley. Key loss: C Travis Knight.

PHILADELPHIA 76ERS Allen lverson has some decent pieces around him, especially with the acquisition of Matt Geiger. And bringing three first-round draft picks to camp should help. But the 76ers need a year of good chemistry — and an impact player — to reach the playoffs.

Additions: F-C Geiger, G Larry Hughes (draft, No. 8, St. Louis), F Harvey Grant, F George Lynch, C Mirsad Turkean (draft, No. 18, Turkey), C Nazr Mohammed (draft. No. 29, Kentucky). Key losses: F Derrick Coleman, F Joe Smith .

#### Central Division

INDIANA PACERS They've been anointed favorites for two reasons: Michael Jordan retired, and the Indiana players ran sprints together during the lockout. Reggie Miller is now the game's best clutch shooter, and Sam Perkins was a nice pickup via free agency. But can Rik Smits and Mark Jackson hold up during a 50-game. three-month griod?

Additions: C Perkins, F Harrington (draft, No. 25, St. Patrick's High School, New Jersey). Key loss: C Mark West. DETROIT PISTONS They re-

signed Jerry Stackhouse and improved their front court with Loy Vaught and Christian Laettner, who are both rehabilitating from injuries. Grant Hill and Joe Dumars, expected to retire at season's

Additions: F Vaught, F Laettner, G Jud Buechler, Key losses: F Grant Long, F Malik

MILWAUKEE BUCKS George Karl does not have as much to work with as he did in Seattle, but Terrell Brandon and Ray Allen are one of the league's best young backcourts. The question is whether Karl can get the Bucks to play aggressive defense.

losses: C Andrew Lang, G Litterial Green.

ATLANTA HAWKS The Hawks rebuilt on the fly. The bad news is one-two combination at point that the bench is once again corn- Michael Stewart, G Michael Wilguard and shooting guard. Getting silk thin. Steve Smith. Tyrone liams. Kev losses: F Marcus Mitch Richmond in return for Chris Webber was worth the gamble. But Blaylock and Dikembe Mutombo Wright, G Chauncey Billups. the Wizards still need a quality will bave to play major minutes center to give Juwan Howard help for the Hawks to return to the on the blocks. Washington is much playoffs.

Additions G Anthony Johnson, Additions: G Richmond, FOtis Roshown McLeod (draft, No. 20, Duke), C Mark West, F LaPhonso Ellis, Key losses: F Christian Laetmer, G Eldridge Recasner.

CLEVELAND CAVALIERS Shawn Kemp, Cleveland's franchise player, reported at least 20 pounds (9 kilograms) overweight. In a short season, that may prove costly tinues to mature as a player. But for a team that otherwise has all the half-court execution is still a big components for returning to the playoffs. But too many teams on the same rung as the Cavs last seasoo moved up a notch in the off-season.

Additions: F Johnny Newman, Antonio Lang. G Litterial Green. Key Loss: Scott Brooks.

CHARLOTTE HORNETS Demick Coleman was the major signing, and if he is in shape, there is no telling how far Charlone goes. But with Glen Rice lost for 25 games and Anthony Mason out for the season, the Homets are another of those Eastern Conference teams that take a step backward.

Additions: F Coleman, Chucky Brown, G Eldridge Recasner, F Chuck Person, G Ricky Davis tdraft, No. 21, lowa).

CHICAGO BULLS In less than a month, they've become the NBA equivalent of the Florida Marlins, a once-proud championship team inrecognizable by their new roster. Michael Jordan retired and the only starters back are Toni Kukoc and Ron Harper. So they're not world beaters any more. But they can still give Toronto a decent run.

Additions: G Brent Barry, F Mark Bryant, C Andrew Lang, G Corey Benjamin (draft, No. 28, Oregon State), F Roy Rogers, C Priest Lauderdale, Key losses: G Jordan, F Sconie Pippen, F Dennis Rodman, G Steve Kerr, C Luc Longley, F Scott Burrell, G Jud



Indiana, with Jalen Rose, is

TORONTO RAPTORS They have some so-so pieces, but none of them fit together.

Additioos: C Kevin Willis, F Charles Oakley, G Vince Carter, C

#### Western Conference

UTAH JAZZ Karl Malone and retirement than to a championship, but they manage somebow to get the Jazz peaking by the playoffs. Utah went on an archeological dig for its one off-season acquisition, digging up former Jazz forward Thurl Bailey. Jeff Homacek, like Malone, is 35. They're old, cranky and, yes, still the best passing team in basketball. The Delta Center pionship party in late June.

Morris.

HOUSTON ROCKETS They lost one Hall of Famer (Clyde Drexler to retirement tonly to bring in another (Scottie Pippen). Much de-Barkley can get through the season injury-free. With three of the Top 50 players of all time, Hous-

Additions: F Pippen, G Michael Dickerson (draft. No. 14, Arizona), G Bryce Drew (draft. No. 14, Valparaiso), C Antoine Carr, F Antbony Miller. Key losses: G Drexler, G Mario Elie, C Kevin Willis.

Additions: G Kerr, G Elie, G Daniels, F Jerome Kersey. Key losses: F Chuck Person, F Carl Herrera, G Vinny Del Negro, G

MINNESOTA TIMBERWOLVES Even after two and three seasons, respectively, Stephon Marbury and Kevin Garnett are still phenoms. But the departures hurt. If it wasn't Tom Gugliona spurning the franchise for less money in Phoenix, losing Terry Porter and Sam Mitchell - veterans who talked to and nurtured the young stars - was also a blow.

Additions: F Joe Smith, G ovic (draft, No. 17, Italy). Key ership. Ancient by point guard losses: F Gugliotta, G Michael standards, Derek Harper's matur-Porter, G Mitchell. DENVER NUGGETS GM Dan Is-

Midwest Division

John Stockton often seem closer to will finally play host to a cham- Miami Heat's Alonzo Mourning scoring against Orlando Magic's Isaac Austin in a tune-up game.

Additions: F Bailey. Key losses: C Antoine Carr, F Chris

pends on whether Pippen, Ha-keem Olajuwon and Charles. ton may get back to the finals.

SAN ANTONIO SPURS On the surface, they upgraded their roster with Steve Kerr, Mario Elie and second-year point guard Antonio Daniels. But Tim Duncan and David Robinson still don't have an offensive-minded backcourt player to alleviate scoring pressure. They're deeper than a year ago, but getting past the Lakers and Utah is too much to ask.

Jaren Jackson.

Bobby Jackson, C Dean Garren, G Malik Sealy, C Radoslav Nester-Williams, C Cherokee Parks, G

for one of the most lethal offensive the Jazz is another story. combinations in the West. The rookie Raef LaFrentz will help at once along with the backup point guard Chauncey Billups.

Additions: F McDyess, G Van Exel, G Billups, F LaFrentz (draft, No. 3, Kansas). G Monty Williams, C Keon Clark (draft, No. string of 431 games — the 13, UNLV), F Johnny Taylor, Key Iosses: F Johnny Newman, F LaPhonso Ellis, F Harold Ellis, C Dean Garrett, G Bobby Jackson, F

Tony Battie. DALLAS MAVERICKS Dirk Nowitzki, the 6-foot-9 (2.06-meter) German forward who shoots the three-pointer, has impressed in two preseason games. Steve Nasb advance to the conference finals. was another good acquisition. The Mavericks have more talent, but

Additions: G Nash, C Hot Rod Williams, F Gary Trent, F Now-itzki (draft, No. 9, Germany). Key Kersey, C Jim McIlvaine. losses: C Eric Riley, F Kurt Thomas. F Bubba Wells, F Martin

chemistry will take a while.

ing · up Shareef Abdur-Rahim through 2005 helped the Grizzlies, but puning the right pieces around him may take time. Bryant Reeves is improving and the rookie Mike Bibby will try to run the point guard position effectively. The Grizzlies remain on the periphery of the middle-ecbelon teams.

Additions: G Mike Bibby (draft, No. 2, Arizona), F Carl Herrera, C Cherokee Parks, G Felipe Lopez (draft, No. 24, St. John's). Key losses: G Antonio Daniels, F George Lynch.

#### Pacific Division

LOS ANGELES LAKERS Tired of the young kids getting uppity, GM Jerry West acquired veteran leadity could be more important than his minutes. Shaquille O'Neal and Kobe Bryant will try to resuscitate sel put a team with more structural television ratings after the loss of problems than Mir back in playoff

Additions: C Travis Knight, G Harper, G Tyronn Lue (draft, No. 23, Nebraska), G Sam Jacobsen (draft, No. 26, Minnesota). Key losses: G Van Exel, G Jon Barry. SEATTLE SUPERSONICS Hersey Hawkins' consecutive starting

league's longest current streak -is about to end. Coach Paul Westpbal, back from NBA exile, is more comfortable with Billy Owens at the sbooting guard. Gary Payton is better than anyone at his position, and Vin Baker is not far behind as a power forward. But the Sonics don't bave the muscle to

Additions: C Vladimir Stepania (draft, No. 27, Slovenia), F Owens, C Olden Polynice, F Don MacLean. Key losses: C Sam Per-PORTLAND TRAIL BLAZERS

They re-signed Arvydas Sabonis and Damon Stoudamire, and for VANCOUVER GRIZZLIES Lock- the most part have rid themselves of their knucklehead image. Rasheed Wallace and Isaiah Rider can be combustible at times, but their talent is unquestioned. They are essentially the same team from last season.

Additions: G Greg Anthony, G Bonzi Wells (draft, No. 11, Ball State). Key losses: G Rick Brunson, G Gary Grant. SACRAMENTO KINGS GM

Geoff Petrie remade the franchise into a playoff team. The trade for Webber and the signing of Vlade Divac and Corliss Williamson give the Kings a formidable frontline. Throw in '97 draft pick Predrag Stojakovic and the rookie point guard Jason Williams, and Sacramento may be on its way back to the postseason.

Additions: C Divac, F Webber, G Williams (draft, No. 7, Florida), G Stojakovic (1997 draft, Greece), G Vernon Maxwell, G Kevin Ollie, G Jon Barry. Key losses: G Jersey.
Mitch Richmond, F Otis Thorpe, In the you-know-who. The Lakers G Mahmoud Abdul-Rauf, C contenuon. Nick Van Exel and the should reach the conference finals Olden Polynice, C Michael Stew-Additions: G Dell Curry, F Eastern Conference favorite. return of Antonio McDyess make again. Whether they can get past art, F Billy Owens, G Anthony Indiana,

PHOENIX SUNS When the top free agents went elsewhere, Phoenix was forced to pin its hopes on Tom Gugliona, whose experience as a franchise player is nil. Luc Longley was a decent pickup, and Jason Kidd is developing into one of the game's best all-around players. But the Suns don't have the ammunition to go

deep into the playoffs. Additions: F Gugliona, C Longley, F Pat Garrity (draft, No. 19, Notre Dame), C Joe Kleine, G James Collins. Key losses: F Antonio McDyess, G Kevin Johnson. G Steve Nash, F Mark Bryant, F Dennis Scott, C Hot Rod Williams.

GOLDEN STATE WARRIORS With the Sprewell saga behind them, the Warriors trudge out of the depths of the conference and return to respectability. Re-signing rebounder Jason Caffey was almost as important as making sure Sprewell didn't show up to training camp on opening day.

Additions: G John Starks. F Chris Mills, F Terry Cummings, G Antawn Jamison (draft, No. 4. North Carolina). Key losses: G Sprewell, F Clarence Weatherspoon, G Jim Jackson. LOS ANGELES CLIPPERS Michael Olowokandi should show

enough promise as the No. 1 pick

to give bope to this moribund franchise. But until they begin making long-term, financial commitments to burgeoning All-Stars, the Clippers will have to drive to the Great Western Forum to catch the playoffs in L.A. Additions: C Olowokandi (draft, No. 1, Pacific), F Brian

Skinner (draft, No. 22, Baylor), G Scott Brooks, Key losses: C Isaac Austin, F Loy Vaught, G James

In the Eastern Conference fiaals, it will be Indiana over New In the Western Conference fi-

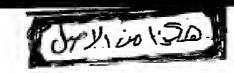
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**SPORTS** 

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As he what kind of scan expect, no one is sure. For the time in the year terms will casionally be playing three garon three consecutive mells which will channal man pe tice sessions Some places as Shawn Kemp, are tourman the extended off cason That trying frantically to shed pur before the opener

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"Thusk days a contemporar for every team new to say y chack's not in their non-lisa

wickets Thursday as India struggled to 247 runs for eight

wickets in New Delhi on the first

day of the second test. (Reuters)

SOCCER Tottenham Hotspur has

bought the midfielder Tim Sher-

wood, 30, from Blackburn Rovers

for £4 million (\$6.5 million), the

Newcastle United has agreed

to buy Silvio Maric, a Croatian international midfielder, from

Croatia Zagreb for 10 million

Deutsche marks (\$5.8 million), the

Zagreb clnb said Thursday.

• Luc Borrelli, a veteran French

goalie, died Wednesday. Borrelli,

who was 33, drove into the back of

a truck on the highway from Paris

to Lyon, where he was the backup

goalie for Olympique.

Tamas Deutsch, the new sports minister of Hungary, on Thursday suspended officials of the national

soccer federation, including pres-

ident Attila Kovacs, for "breaches

of law and illegal practices."
"We have found that at the very

least 179,082,000 forints are miss-

ing," he said. The sum is equivalent

to \$850,000. Kovacs said he had

written to Sepp Blatter, the president

of FIFA, world soccer's governing

body, outlining "the political inter-

ference which is contrary to FIFA'S

Voice From the Wilderness

BASKETBALL Latrell Sprewell,

who will be playing his first game in

14 months, won't be the only person

making a comeback Saturday when the Miami Heat play the New York Knicks at Madison Square Garden.

Mary Albert will return from a

16-month absence to announce the

game on the radio for MSG cable

network. Albert was fired by NBC,

the U.S. television network in

September 1997 after pleading

guilty to biting a former lover dur-

COREBOARD

ing a sexual encounter,

(Reuters, AP, AFP)

Spurs Buy Sherwood

London club said Thursday.

### WORLD ROUNDUP IOC Emerges Bruised From Drug Summit India Struggles CRICKET Saglain Mushtaq, a Pakistan spin bowler, took five

The Associated Press LAUSANNE, Switzerland - No matter how hard they tried to claim Thursday, International Olympic Committee leaders could not disguise the reality: Their authority is

eroding even further. In a blunt rejection of the IOC's leadership role, the 15 European Union governments refused to accept a diluted final resolution at the world summit meeting on drugs in sport. It was a rude wake-up call for the IOC and its embattled president, Juan Antonio Samaranch, as they struggle to regain credibility in the wake

of the Olympic corruption scandals. "These issues are bigger than the IOC," said Tony Banks, the British sports minister. 'It might come as a surprise to the IOC to find there is actually something bigger than the IOC, but there is."

The EU ministers expressed "reserve' about the document and said they would consult with their governments before making a joint decision.

While the conference laid the groundwork for anti-drug initiatives, the resolutions fell far short of the tough, immediate action the IOC needed to re-

The IOC had to back off on the two main planks of the meeting: the creation of an international anti-doping agency and the imposition of mandatory minmum two-year suspensions for drug

use.
"The IOC is too weak," said Roland Baar, a member of the IOC athletes' commission. "I hope the governments will do their jobs. Obviously, that is the

only way."
The U.S. government, which had expressed serious reservations about parts of the IOC plan, voted for the revised package but offered only lukewarm sup-

Barry McCaffrey, the coordinator of drug policy for the White House who had attacked the IOC's credibility and called for democratic reforms, described the final declaration as a 'good

In his closing news conference, Samaranch suggested that the White House was in no position to lecture the IOC. "We are very thankful he is so in-

terested in the IOC," Samaranch said, referring to McCaffrey. "But we also told him he had many problems in his

own country on doping."

Samaranch claimed the IOC emerged "stronger" from the conference. But it was clear that the IOC would not win the leadership role it wanted in the proposed anti-doping agency, which will be discussed again at a meeting with sports

and government leaders this spring. . The conference agreed to set up the agency, but details on the structure, mission and financing were put off for up to three months. Officials said the goal was to have the agency np and running be-fore the 2000 Sydney Games. Government officials refused to give

the IOC a leading role in the anti-doping agency, which would supervise world-wide drug testing and policy on an ini-

tial \$25 million budget.

"The chairing of that independent agency by President Samaranch would compromise it," Banks, the British sports minister, said. "It would not be dependent."

But Samaranch and other IOC officials refused to rule out that he could head the agency. Samaranch said the decision would be made after a ruling council was set up by governments and

the Olympic movement.

Dick Pound, an IOC vice president, said the committee was ready to give governments a 50 percent role in the agency - but would expect the gov-

ernments to contribute financially. "The governments must be prepared to put their money and efforts where eir mouths are," Pound said.

On another contentions issue, the IOC was forced to accept provisions allowing each sport to ignore a minimum two-year ban on users of illegal drugs in cases where they find "exceptional circumstances.

Some of the biggest sports in the Olympics, including soccer, cycling and tennis, had argued that a two-year ban for a first drug offense never would hold up to legal challenges under rightto-work laws. Mark Sisson, representing triathlon,

said: "My concern is that the biggest winners from this doping conference are the lawyers of the world."



Alexandra Meissnitzer zooming past a gate en route to a victory.

#### Austrian Women Sweep Super-G The Associated Press

VAIL, Colorado — Alexandra Meissnitzer lead an Austrian sweep of the super-G on Wednesday in the

World Alpine Ski Championships. Meissnitzer overcame a tricky wind and a rolling, bumpy course to reach the finish in 1 minute, 20.53 seconds Wednesday, just .03 seconds

faster than teammate Renate Goetschl and .21 seconds ahead of Michaela Dorfmeister.

The sweep gave Austria five of the

six medals awarded on the first two days of the event. Hermann Maier shared the gold with Lasse Kjus of Norway in the men's super-G on Tuesday, with Hans Knauss third.

### A Lonely Basket Lifts Stanford

The Associated Press No. 4 Stanford scored just one basket

in the final 12 minutes but that was enough to beat California. California led by five points with

3:30 left. Stanford then sank four free COLLEGE BASKETBALL

throws before Kris Weems sunk a threepointer to give the visiting Cardinals a 57-55 victory.

and 9-1 in the Pac-10. No. 2 Duke 95, No. 7 Maryland 77 Shane Battier scored a career-high 27

The victory left Stanford 19-3 overall

Coast Conference) won its 17th straight. No. 3 Cincinnati 82, Tulane 63 Ryan

Fletcher made four consecutive baskets as Cincinnati (21-1, 8-1 Conference USA) won its 30th straight home

No. 25 Mismi 73, No. 9 St. John's 70 In New York, Johnny Hemsley scored 29 points and the Hurricanes (14-5, 8-3 Big East) outscored St. John's 14-3 over the final 51/2 minutes.

No. 21 Indiana 71, No. 11 Wisconsin 60 Rob Turner scored a season-high 22 points and Indiana (18-7, 5-5) held visiting Wisconsin scoreless in the final points as Duke (22-1, 10-0 Atlantic three minntes.

### Avalanche **Still Rolling** As Goalie Has 37 Saves

The Associated Press

Patrick Roy made 37 saves as Colorado won its 10th straight game, extending the longest winning streak in the National Hockey League this sea-

Rene Corbet scored two goals against Buffalo's All-Star goalie, Dominik

#### NHL ROUNDUP

Hasek, as the Avalanche beat Buffalo. 5-3, Wednesday night.

Adam Deadmarsh and Valeri Ka-mensky also scored for Colorado, and Sylvain Lefebvre added an empty-net goal in the final seconds.

Dixon Ward, Miroslav Satan and Curtis Brown scored for Buffalo, which fought back twice to tie.

Capitals 10, Lightning 1 Peter Bondra had four goals as Washington scored a team-record eight times in the second period to rout visiting Tampa Bay.

Canadiens 2, Canucks 1 Turner Stevenson scored twice in the second period to lead Montreal over visiting Vancouver, ending the Canadiens' three-game losing streak.

Devils 4, Hurricanes 1 Petr Sykora had two goals and an assist as New Jersey beat Carolina to win its NHL-

leading 17th road game.

Panthers 5, Maple Leafs 2 Pavel Bure scored for the eighth time in six games since coming to Florida and Sean Burke made 34 saves as the Panthers beat visiting Toronto.

Darren McCarty scored two goals and keyed a physical attack that helped the Red Wings beat the New York Is-Senators 2, Oilors 2 Bill Berg scored

Red Wings 5, Islanders 1 In Detroit,

midway through the third period as Ottawa rallied from a two-goal deficit to gain a tie in Edmonton.

Mighty Ducks 3, Blackhawks 0 Guy Hebert earned his 21st career shutout and Ruslan Salei assisted on goals by Paul Kariya and Matt Cullen as Anaheim beat visiting Chicago.



Treat Austin in a hore-up #

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(Selanne, Solel) (pp), 3, A-McInnis 15, (cn).
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Genilles: C-Tribouri

BASKETBALL

No. 2. Date (22-1) del. No. 7 Maryland (19-4) 95-77. No. 2. Cladinanti (21-1) def. Tulone 82-63. No. 4. Stanford (19-3) def. California 57-55. No. 4. STREET (19-4) GET. CREATERING 37-55. No. 9. 51. John's (17-4) fost to No. 25 Microl (14-5) 73-70. No. 11. Who. (19-4) fost to No. 21 led. (18-7) 71-60. No. 12. Milenesofu (14-4) def. (illinois 75-63. No. 22. Call. of Charleston (19-2) def. Coast C. 75-66. No. 24. Milenesofu (14-4) def. Text. Text. 88-63.

U.S. COLLEGE SCORES

No. 24. Missouri (16-4) def. Tec. Te LEADRISC COLUMN Army 73, Colgrife 66 Bucturell 65, Holy Cross 51 Latinyette 74, Navy 71 Providence 77, West Virginia 68 Villanova 84, Rutigers 78 Virginia Tech 59, Duquesne 58 Georgia 82, Vanderbit 67 Marshall 73, Ball 51, 66 Missientell 82, 1, 511, 66

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CAN BE VERY

CLEVER ...

Himole St. 62, SW Missouri St. 54 Miami, Ohio 69, Ohio U. 54 N.C. Charlotte 66, DePaul 61 Solot Lauls 68, Southern Miss. 60 Oldohoma 59, Baylor 58 Texas 71, Texas A&M 59 Loyola Marymount 90, Pepp Nebruska 57, Colorado 52 Santa Clara 59, San Francisco 56

WOMEN No. 4 Code. (19-3) def. Syrocuse 96-50. No. 6 Notre Dame (18-2) def. Nd. 20 Baston

No. 8 Georgia (19-3) def. S.C. 62-58. No. 12 Resignes 119-4) def. Pilisborgh 65-54. No. 13 N.C. 62-9 def. No. 17 Chaman (17-5) 75-72. No. 15 Iown St. (16-3) def. Oklohoma St. 76-42. No. 21 Als. (13-4) test to No. 24 LSU (16-6) 75-60. No. 22 Konsos (17-6) def. Colorado 65-57. EUROLEAQUE

Efes Pilsen, Turkey, 83 Varese, Italy, 72 GROUP G SCOW 69, Teamsys, Bologna, It., 67 GROUP N

CRICKET

INDIA VS. PAKTETAN SDAY IN NEW DELKI India: 247 for elabit.

#### SKIING

WORLD CHAMPIONSHIPS WEDNESDAY IN VAIL, COLO. Indry Meissnitzer, Austric, 1 minute,

1. Alexandra Meissander, Austria, 1 mans 20.53 seconds.
2. Renate Goetschi, Austria, 1:20.56,
3. Michaela Dorfmeister, Austria, 1:20.74,
4. Hilde Gerg, Germany, 1:20.83,
5. Morlina Erit, Germany, 1:20.98. 6. Isolda Kostner, Holy, 1:21.21. 8. Corlone Rey Bellet, Switzerland, 1:21.46. 9. Pernilla Wiberg, Sweden, 1:21.58. 10. Florence Masanda, France, 1:21.65.

SOCCER

ENGLISH IA COL Chelsen 4. Oxford United 2

ENGLISH PRIMITE LEAGUE Me Man. U. 47 points: Ch 43: Aston Villo 43: Arsenal 42: Leeds 36: Liv as Astron view at Artsenia at Lectus as a Lectus as a erpool 35; Wiimbledon 35; Derity 34; West Ham 33; Middlesbrough 32; Toffunham 30 Leicester 30; Newcastle 28; Selfileid Wed, 26; Everjan 24; Coventry 25; Blackburn 22 Southampton 20; Chariton 17; Natt. Forest 16

SCOTTISH CUP THIRD ROUND

### FOURTH ROUND, RETURN LEG. Deportivo Comma 1. Celtar Vigo 1, OT Deportivo won 2-1 on aggregate Mollocat 1, Real Bells 0 Mollocat won 2-0 on aggregate.

Racing Santander 1. Athletic Bilbaa Rocing Santander 1, Athletic Halboe Rocing won 3-2 on aggregate. Volencia 1, Lavarrie (Division III) 0 Volencia won 4-0 on aggregate. Validdolid 2, Espanyol 2 Espanyol won 6-4 on aggregate. Villamed & Real Modrid 2

CYPRUS TO: Cyprus 0. Belgium 1 Greece 2. Finland 1 Feb. 5 fingl: Greece vs. Belgium.

FREEDIDLY INTERNATIONA

CLEVELAND—Agreed to terms w Wil Contero on 1-year contract.

TRANSITIONS

Houston-Agreed on truck.

a. Y METS-Agreed to terms with RHP Paul Filson on 1-year controct.

BASKETBALL

ASSECTIBALL ASSOCIATION

NATIONAL BASKETBALL ASSOCIATION

CHARLOTTE—Signed F Joe Wolf. HOUSTON—Signed C Storley Roberts.

BASEBALL

NOCKETY

NATIONAL HOCKETY LEAGUE
ANAHELM—Agreed to terms with II Pascol
Trepanier on multiyear contract extension.
TAMPA BAY —Signed C Alexandre Dolgte
tol-year contract extension.
COLLEGE
PAC-to—Reprimanded sophomore UCLA
baskeball G Boron Dovis, put him on probotion for rest of season, and required him to
make public apology for his comments on officialing in Jan. 31 game against Washington.
NEW MEDICO—Suspended jurior baskelbolf F Conston Walker indefinitely for violation of team rules.
PTTSBURCH—Announced resignation of
Rolph Willord, men's basketball cooch effective at end of season.

IntGTON-Agreed to terms with G Roc

WOOTEALL
MATIONAL FOOTEALL LEAGUE
DENVER—Signed IT VIII, MAUMOUL DE
Marvin Thomas, S Tori Neel WR Chris Doerling, DB Brad Trout, RB Leeland McEtroy, G

to 5-year Common extension.

MAMAN-Signed RB Journ Johnson, WR Teny

Guess, P Nick Gallery, WR Denks Montana, OT

Antoine Stryson and S Marcus Wimberly.

PITTSBURGH—Signed DL Ernie Brown.

MOCKEY

Dan Finn and DE Herbert Cole

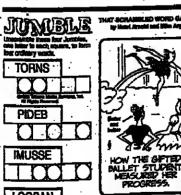
fective of end of season.

ARIZONA—Declared F Tatum Brown In-eligible for women's baskethall team for re-

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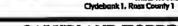
PLAYING..







The state of the s





WIZARD of ID.





NON SEQUITUR



DOONESBURY



By Bruce Weber New York Times Service

FAIRBANKS, Alaska — the country where the arts
The ice was too cold. serve such a practical function When the temperature sank as they do in this surprisingly under 30 degrees below zero diverse (ethnically and artisthere last week and hottomed ically), brutally winterhound out at 47 below zero through and isolated environment. the weekend, an icy fog Even if this not a pretty swaddled this city in a glowing town Fairbanks manifests a water — "Arctic superglue" many here, not out in local parlance — they use to as a reason to live. fuse ice limbs to ice torsos and to make repairs.

It was cold even for Fairbanks; cold enough for a cup er," Mayor James Haves said. the snow. Blocks of ice simply become too brittle and prone to shatter for the delicate

Tabor, a wood sculptor who moved here from Arkansas 13 large native-style masks. They did not make much progress, hut it was a good workout.

And it was a good excuse to battle the cabin fever that many people say is a winter burden, brought on more by hours of dim sunlight a day right now, up from little more than three hours at the winter nice to get ont of the house," Carlo-Kendall said. "I haven't

been out in three days." The arts have a tough row year when the world is dark and the spirit can be too. Yet there may be no other place in the country where the arts

soup. And the local sculptors persistent and enduring inwho have dotted the city with terest in the arts. They not angels and polar bears and oth-er crystalline icons had to put only bring people out into the cold and cheer the hleak landaway their sanders, chisels and scape, but they are cited by many here, not outlandishly,

"Suicide during this time of year runs a little high, and the arts have been a comfortof coffee tossed in the air to "They play an integral role in freeze before the droplets hit this city. Without them, I don't know what we'd be."

The state, with its notorious

small-government hias, has shaving and whittling that a cut back on arts subsidies in sculptor's work requires.
Still, Kathleen Carlo-Kendall gave it a shot. With Anita diminished to just \$11,000 this year from more than \$65,000 in the early '90s. But years ago, Carlo-Kendall, an the political isn't personal, Athabascan Indian and mask said June Rogers, the execmaker, spent an hour or so on utive director of the associ-Saturday working on two ation, who notes that many of the hudget-slashing legislators contribute generously to the arts from their own pockets.

Fairbanks maintains two dance companies, two art galleries, two community theaters (one performs original lingering darkness than by the work, the other Shakespeare), cold. There are but seven a chorale and a light opera company that often sells out a 1,400-seat hall.

"I look at all this grayness, solstice six weeks ago, "It's and I think about depression and loneliness and all the things grayness can contrib-ute to," Rogers said. "But you know, it is beautiful, I to hoe in this part of the world, don't find it depressing. And I a place where man's creations think that's what art can do for pale beside Mother Nature's, people here, give them an-and particularly at this time of other way to look at things."

### An American Artist Who's Still a Maverick at 90

By Michael Kimmelman New York Times Service

NEW YORK — At the little-known Mercury Gallery in Boston, a mostly forgotten group of American artists from the 1930s is the focus of an exhibition that also turns attention to the group's sole surviving member, a painter named Joseph Solman.

Having just turned 90 last mouth, Solman is still painting in his cluttered studio above the Second Avenue Deli in the East Village of Manhattan, where be has worked more or less since Jackson Pollock was a new name on the American scene. The show in Boston, which lasts

through February, is about the Ten, as the group called itself, somewhat eccentrically, considering that there were only nine of them in the beginning. (The numbers changed over the years.) Solman, the youngest member, became something of a ringleader. He was a Works Progress Administration artist, and an editor, with Meyer Schapiro and Harold Rosenberg, of the progres-

sive Art Front magazine.
The Ten also included Mark Rothko, who was still calling himself Rothkowitz at the time, and Adolph Gottlieh. Most of the other artists who belonged to the group are familiar today ouly to specialists or to an aging generation of art lovers with very long memories.

During the 1930s, along with Rothko, Solman and the others, these artists had united as the Ten in opposition to what was then the American art establishment, meaning above all the Whitney Museum of American Art.

Conforming neither to the American Scene painting of Grant Wood and Thomas Hart Benton nor to Social Realism, they generally found themselves excloded from the Whitney's surveys of new American art. So they organized their own exhibitions, issued decrees, until they finally achieved recognition and were able to go

As the show in Boston proves, they had never really shared a common style, just a common enemy, so their breakup was essentially predestined.

Their works were linked only by a general regard for European modernism, which was enough to distinguish them from the American mainstream and to make them seem virtual radicals at the time. It is easy to forget that the Museum of Modern Art was still new then.

Even its opening show of Seurat, Gauguin, Van Gogh and Cezanne
— all long dead at that point — had come as a revelation to many Americans, including some of the Ten.
"I was stunned," Solman remembers. Tartly opinionated but

generous and essentially optimis-tic, he happens to have one of those infallible memories that allow him to remember exhibitions that took place 70 years ago. He grew up in Queens. His fa-ther was a tailor. For \$10 a term, he

got an art education at the National Academy of Design, but he likes to say that he learned more by sketching people on the subway.
His shows were steadily re-

viewed over the years, Art News published "Solman Paints a Pic-ture" in 1951 as part of its famous series, and he acquired a good deal of respect among other painters. But for a long time, like most artists, he was not making a lot of money from his art. So to make ends meet he taught

and also worked half of each year as a pari-mutuel clerk at Aqueduct and Belmont. In 1964, when he showed some of the gouache portraits that he painted while commuting to the track, The New York Times called him a "pari-mumel Picasso."

He started out by looking at Remhrandt and Rouault and painting pictures so murky that he said even he could not make them out. Then his taste, and palette, changed. He looked at Klee and Morandi. He painted still lifes and city scenes, with an inclination toward urban clutter, jountily drawn. He became a distinctive and



The painter Joseph Solman in his Manhattan studio.

subtle colorist, particularly when he turned to portraiture, which, hucking fashion, he did increas-ingly after the 1940s. There was something of Modigliani and also of Daumier about his portraits. They looked both lean and ex-

pressive.
"Danmier I consider part of my lineage. Klee is my favorite. But Cezanne is the most important in the end because he taught humility through his persistent attempt to climb the mountain of realism, whether he was painting landscapes or people. Over all these years, I've never felt the need to go entirely abstract because there are just too

many things in the world, too many

faces, that I want to paint. So for Solman the mid-century debates over pure abstraction are still fresh. That period was a turning point for all American artists, but, having been on the cutting edge during the 1930s, he found himself facing a particular paradox. He and the Ten had prepared the way for precisely the changes that took place in American art by promoting European modernism and adapting it to an American situation; now the new American art, Abstract Expressionism, had replaced Scene painting as the establishment style, with Solman once again on the outside.

He seems without rancor, however. "The important point is that I was already a modern in 1935. I was addicted to the twodimensional flat surface, which is the hallmark of the modern to me, as opposed to illusionistic space. And I was satisfied with what I was doing, so I didn't need new credos like pure abstraction."

Put differently. Solnun continued to see himself as a craftsman, an artist grounded in tradition and experience, painting modern pictures, while the Abstract Expressionists went off in their direction, taking American art history with them.

What, we might ask, is the value of constancy or the cost of fashion?
We can of course appreciate an without regard to the judgments of history, which has its own shifting standard. Solman is in many ways a paradigm of the American artist, which is not to say the American art star, during this fickle century. Collectors now steadily huy his

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works for good money and, like many artists who can afford to do so, he has even been buying back some of his old pictures, which he sold years ago for a song. He exhibits regularly.

For the past several years he has been mostly drawing skyscrapers, turning their stepped-back silhou-ettes into jagged shapes flanking lighter, narrow passages, "What intrigues me is the space and color of the sky between the buildings, which I see when I ride the bus around twilight."

These are near-abstract images. although not really much more abstract than his work from the 30s, in which he reduced the city to similar zigzag forms, idiosyncratically disposed.

He remains, in other words, a enthusiastically modernist tethered to the world around him. As I've said before, subject matter yields more poetry and drama and abstract tension than any shapes we can make up." Productive after seven decades, he is a prime example of the lifeblood of American art.

#### **PEOPLE**

THE London Critics' Circle has ator. "He has been working oo it and kept diaries along the way," a Bantam spokeswoman said. his performance in a stage revival of Eugene O'Neili's "The Iceman Cometh." He had already received an Evening Standard Award for the role, and will reprise the part in New York this season. Sinead Cosack won for best actress ("Our Lady of Sligo"), Howard Davies was named best director ("The Iceman Cometh" and "Flight") and Michael Frayn won for best play ("Copen-hagen"). The Royal National Theater's revival of "Oklahoma!" was honored as best musical. The Critics' Circle membership consists of leading newspaper and magazine theater critics in London.

John Glenn has signed with Bantam Books to write his autobiography, due out this autumn. Glenn, 77, the first American to orbit the Earth back in 1962, returned to space in October aboard the shuttle Discovery. The book will chronicle both flights, as well as the astronaut's 55-year marriage to Annie Glenn and his 24 years as a U.S. sen-

Julianna Margulies plans to hang up her "ER" scrubs next year. The actress, who plays a nurse, said she plans to

back home to New York," "I'm homesick. I want to get back on the stage and do some independent films," Margulies said on "The Howie Mandel Show."

The solo album that Michael Hutchence, the star of INXS, was recording when he committed suicide will

leave NBC's emergency room drama after the 1999-2000 season and "go be released around the world in June, his

#### India Grants Salman Rushdie a Visa

The Associated Press

ONDON - India, the first country to ban the book "The Satanic Verses," has granted a visa to its author, Salman Rushdie, for the first time since the 1980s, the BBC reported. Rushdie's lawyer collected the visa from the Indian ligh Commission in London on Wednesday, the radio said. India, Rushdie's birthplace, banned "The Satanic Verses" after it provoked

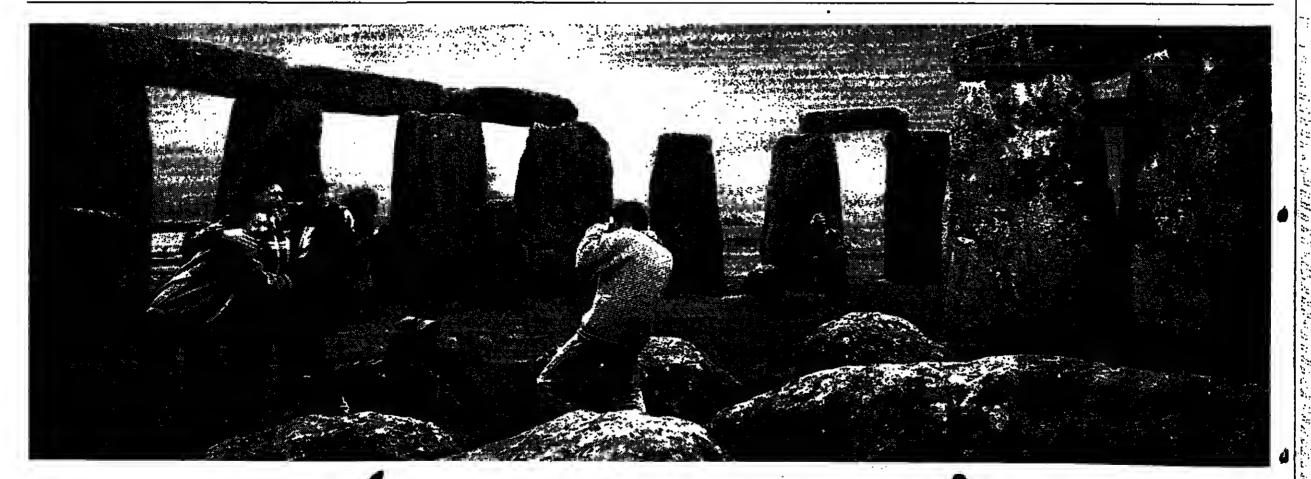
protests from Muslims in 1988, and in 1996 Rushdie's book "The Moor's Last gh" was withdrawn from bookshelves within weeks of its telease. The BBC quoted Rushdie's lawyer, Vijay Shankardas, as saying that Rushdie was pleased by the decision, and reported that Rushdie, who has British citizenship, could visit India within two or three months. Rushdie spent nearly a decade in hiding since Ayatollah Ruhollah Khomeini of Iran called for his death in 1989, claiming "The Satanic Verses" blasphemed Islam.

record label said. The 37-year-old vocalist was found hanged in a Sydney hotel room in November 1997. The album's release had been hampered by legal wrangles over the rights to the tapes. "It won't be seen as a tribute album or a legacy album," said Greg Johnson, general manager of the record label, V2. "I think when people hear it they'll understand what Michael was trying to achieve." legal wrangles over the rights to the

The comic-book heroes Asterix and Obelix, hailed as potential saviors of the struggling French movie industry, failed to work their magic as French critics savaged the duo's first outing into film. ig to the reviews Obelix Against Caesar," which opened this week, was a huge letdown. The most expensive French-language movie ever made, the 275 million franc (\$49 million) picture has a glittering cast headed by Gerard Depardieu and Roberto Benigni. But critics said too much attention had been paid to the special effects and settings and not enough to the script.



RECALLING AN ERA - The Iranian actor Reza Banafsheh portraying the shah of Iran in a television series marking the 20th anniversary of the Islamic revolution that toppled the imperial government.



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